International Seabed Authority ISBA/24/A/1

Assembly

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Twenty-fourth session
Kingston, 2–27 July 2018

Agenda

1. Opening of the session.
2. Adoption of the agenda.
3. Election of the President.
4. Election of the Vice-Presidents.
5. Appointment of the Credentials Committee.
6. Consideration of requests for observer status in accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly.
7. Annual report of the Secretary-General.
8. Consideration and adoption of the strategic plan for the Authority for the five-year period 2019–2023.
9. Report and recommendations of the Finance Committee.
10. Adoption of the budget of the Authority.[1]
11. Adoption of the scale of assessment for contributions to the budget of the Authority.[1]
12. Report of the Credentials Committee.
13. Election to fill vacancies on the Council, in accordance with article 161, paragraph 3, of the Convention.
14. Dates of the next session of the Assembly.
15. Other matters.

[1] To be taken up following consideration by the Finance Committee and the Council.

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International Seabed Authority ISBA/24/A/2

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Report of the Secretary-General of the International Seabed Authority under article 166, paragraph 4, of the United Nations Convention on the Law of the Sea

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I. Introduction

1. The present report is submitted to the Assembly of the Authority pursuant to article 166, paragraph 4, of the 1982 United Nations Convention on the Law of the Sea ("the Convention"). The report provides information on the work of the Authority during the period from July 2017 to May 2018.

2. The Authority is an autonomous international organization established under the Convention and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea ("the 1994 Agreement"). It is the organization through which States parties to the Convention, in accordance with the Convention and the 1994 Agreement, organize and control activities in the Area, in particular with a view to administering the resources of the Area.

3. The Authority has a number of other obligations under the Convention, including the obligation to distribute to States parties payments or contributions in kind derived from the exploitation of the resources of the continental shelf beyond 200 nautical miles, pursuant to article 82, paragraph 4, of the Convention.

4. Pending the approval of the first plan of work for exploitation, the Authority is to concentrate on the 11 areas of work listed in paragraph 5 of section 1 of the annex to the 1994 Agreement. The main focus is on the following areas:

(a) Supervisory functions with regard to contracts for exploration;

(b) Monitoring of trends and developments relating to deep seabed mining activities, including world metal market conditions and metal prices, trends and prospects;

(c) Study of the potential impact of mineral production from the Area on the economies of developing land-based producers of those minerals which are likely to be most seriously affected;

(d) Promotion and encouragement of marine scientific research in the Area through, among other things, a continuing programme of technical workshops, the dissemination of the results of such research and collaboration with contractors and the international scientific community;

(e) Monitoring the development of marine technology, in particular technology relating to the protection and preservation of the marine environment;

(f) Information-gathering and the establishment and development of databases of scientific and technical information, with a view to obtaining a better understanding of the deep ocean environment;

(g) Development of a regulatory framework for the exploitation of the mineral resources of the Area, including applicable standards for the protection and preservation of the marine environment.

5. Following the request made by member States at the twenty-third session of the Authority, a draft strategic plan for the Authority for the 2019–2023 has been prepared and will be presented to the Assembly at its twenty-fourth session (see section III). The plan will provide direction for the development and implementation of the Authority's mandate under the Convention.

II. The Area

6. The Area is defined as the seabed and subsoil thereof beyond the limits of national jurisdiction. Establishing the exact geographic limits of the Area thus

depends on the delimitation of the limits of national jurisdiction, including the delineation of the continental shelf extending beyond 200 nautical miles from the baseline of the territorial sea. Pursuant to article 84, paragraph 2, of the Convention, coastal States are obliged to give due publicity to charts or lists of geographical coordinates of points and, in the case of those indicating the outer limit lines of the continental shelf, to deposit a copy of such charts or lists with the Secretary-General of the Authority.

7. As at 31 May 2018, eight members of the Authority have deposited such charts and lists with the Secretary-General, namely: Australia, France (with respect to Martinique, Guadeloupe, Guyana, New Caledonia and the Kerguelen islands), Ireland, Mauritius, Mexico, Niue, Pakistan and the Philippines.

8. The Secretary-General would urge all coastal States to deposit such charts or lists of coordinates as soon as possible after the establishment of the outer limit lines of their continental shelf, in accordance with the relevant provisions of the Convention.

III. Implementation of article 82, paragraph 4, of the United Nations Convention on the Law of the Sea

9. The Authority has the responsibility, under article 82, paragraph 4, of the Convention, to distribute to States parties payments or contributions in kind derived from the exploitation of the resources of the continental shelf beyond 200 nautical miles. Among other things, this will require the Authority to develop equitable sharing criteria in respect of such payments and contributions.

10. In 2012, the Authority convened a workshop in Beijing on issues associated with the implementation of article 82. Participants in the workshop sought to draw up guidelines for the implementation of article 82 and the formulation of a model agreement between the Authority and an outer continental shelf State for receiving payments and distribution. One recommendation was to prepare a comparative study of key terms in article 82. To this end, the secretariat commissioned such a comparative study to assist in identifying possible paths for a practical approach and in developing the understanding of terminological issues in realistic settings.[1]

IV. Membership of the Authority

11. In accordance with article 156, paragraph 2, of the Convention, all States parties to the Convention are, ipso facto, members of the Authority. As at 31 May 2018, there were 168 parties to the Convention (167 States and the European Union) and thus 168 members of the Authority. On the same date, there were 150 parties to the 1994 Agreement. There were no further ratifications of or accessions to the Convention or the 1994 Agreement during the period covered by the present report.

12. There are therefore still 18 members of the Authority that became parties to the Convention before the adoption of the 1994 Agreement and that have yet to become parties to the Agreement. These are: Bahrain, Bosnia and Herzegovina, Comoros, Democratic Republic of the Congo, Djibouti, Dominica, Egypt, Gambia, Guinea-Bissau, Iraq, Mali, Marshall Islands, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sao Tome and Principe, Somalia and Sudan.

[1] International Seabed Authority, "ISA Technical Study No. 15: a study of key terms in article 82 of the United Nations Convention on the Law of the Area". Available at: https://www.isa.org.jm/sites/default/files/files/documents/ts15-web_0.pdf.

13. As provided by General Assembly resolution 48/263 and the 1994 Agreement itself, the provisions of the 1994 Agreement and Part XI of the Convention are to be interpreted and applied together as a single instrument. In the event of any inconsistency between the 1994 Agreement and Part XI of the Convention, the provisions of the 1994 Agreement would prevail. Although members of the Authority that are not parties to the 1994 Agreement necessarily participate in the work of the Authority under arrangements based on that Agreement, becoming a party to the 1994 Agreement would remove any incongruity that currently exists for those States.

14. Each year, the Secretary-General circulates a note to those members not yet party to the 1994 Agreement drawing their attention to the abovementioned provisions and encouraging them to become parties to the Agreement at the earliest possible opportunity. The last such note was dated 4 April 2018.

V. Permanent missions to the Authority

15. As at 31 May 2018, the following 25 States, in addition to the European Union, maintained permanent missions to the Authority: Algeria, Argentina, Antigua and Barbuda, Bangladesh, Belgium, Brazil, Cameroon, Chile, China, Cuba, France, Gabon, Germany, Italy, Jamaica, Japan, Mexico, Nigeria, Panama, Republic of Korea, Russian Federation, Saint Kitts and Nevis, South Africa, Spain and Trinidad and Tobago.

16. The Secretary-General also held briefing sessions for the permanent missions to the Authority in November 2017 and in February and June 2018 on the progress of the Authority's work and its Strategic Plan. Separate visits to the headquarters were made by the representatives of the European Union and China and a delegation from Côte d'Ivoire. Credentials were presented by the permanent representatives of Cuba, China, Japan, Italy, Nigeria and the Republic of Korea.

VI. Protocol on the Privileges and Immunities of the International Seabed Authority

17. The Protocol on the Privileges and Immunities of the International Seabed Authority was adopted by consensus at the fourth session of the Assembly, on 26 March 1998 (see ISBA/4/A/8). In accordance with article 18 of the Protocol, it entered into force 30 days after the date of deposit of the tenth instrument of ratification, approval, acceptance or accession, on 31 March 2003.

18. The Protocol deals with the privileges and immunities of the Authority in relation to those matters which are not already covered in the Convention (articles 176 to 183) and is based substantially on articles I, II, IV, V, VI and VII of the Convention on the Privileges and Immunities of the United Nations of 13 February 1946. The Protocol, inter alia, provides essential protection to representatives of members of the Authority who attend meetings of the Authority or who travel to and from those meetings. It also accords to experts on mission for the Authority such privileges and immunities as are necessary for the independent exercise of their functions, while on mission, and for the time spent on journeys in connection with their mission.

19. During the reporting period, three States acceded to the Protocol: Burkina Faso, on 6 October 2017; Jordan, on 21 December 2017; and Georgia, on 4 April 2018. This brings the total number of parties to 46: Albania, Antigua and Barbuda, Argentina, Austria, Brazil, Bulgaria, Burkina Faso, Cameroon, Chile, Croatia, Cuba, Czechia, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Ghana, Guinea,

Guyana, India, Iraq, Ireland, Italy, Jamaica, Jordan, Lithuania, Mauritius, Mozambique, Netherlands, Nigeria, Norway, Oman, Panama, Poland, Portugal, Senegal, Slovakia, Slovenia, Spain, Togo, Trinidad and Tobago, United Kingdom of Great Britain and Northern Ireland and Uruguay. A further 11 States have signed the Protocol but have yet to ratify it: Bahamas, Côte d'Ivoire, Greece, Indonesia, Kenya, Malta, Namibia, Pakistan, Saudi Arabia, Sudan and the former Yugoslav Republic of Macedonia.

20. In an attempt to encourage other members of the Authority to become parties to the Protocol, on 2 March 2018, the Secretary-General circulated a note to that effect and drawing also the attention of members to paragraph 79 of General Assembly resolution 72/73, in which the Assembly calls upon States that have not done so to consider ratifying or acceding to the Protocol. Members of the Authority that are not yet parties are strongly encouraged to take the necessary steps to become parties to the Protocol at their earliest convenience.

VII. Administrative matters

A. Secretariat

21. The secretariat is one of the principal organs of the Authority. In accordance with article 166 of the United Nations Convention on the Law of the Sea, the secretariat shall comprise a Secretary-General and such staff as the Authority may require. The staff of the secretariat shall consist of such qualified scientific and technical and other personnel as may be required to fulfil the administrative functions of the Authority. The number of established posts in the secretariat as at January 2018 was 40 (22 Professional, 2 National and 16 General Service).

22. Some of the concerns regarding the resourcing, structure and coordination of the secretariat were reflected in the final report on the review conducted pursuant to article 154 of the Convention (see ISBA/23/A/3). During the twenty-third session and midway through the biennium, the Secretary-General announced certain changes to the organizational structure of the secretariat in order to address those concerns (see ISBA/23/A/4). The evolving organizational structure of the secretariat is reflected in the budget proposal for the financial period 2019–2020, with a focus on developing a culture of continuous learning, high performance and managerial excellence. During the reporting period, two staff members retired, one separated and five vacant positions were filled, in addition to changes in temporary staffing arrangements.

B. Participation in the common system of the United Nations

23. The Authority applies the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies of the United Nations system. Under the terms of the relationship agreement concluded with the United Nations in 1997, which entered into force on 26 November 1997, following its approval by the Assembly of the Authority (see ISBA/3/A/3) and the General Assembly of the United Nations (see resolution 52/27, annex), both organizations agree to apply common personnel standards, methods and arrangements. At its 139th meeting, on 27 July 2012, the Assembly of the Authority, acting upon a recommendation of the Council, decided that it would be desirable for the Authority to subscribe to the statute of the International Civil Service Commission (ICSC) with effect from January 2013 (see ISBA/18/A/7).

24. The secretariat was represented at the eighty-sixth session of ICSC, held at United Nations Headquarters in March 2018. The agenda included resolutions and

decisions adopted by the General Assembly at its seventy-second session relating to the work of ICSC, the conditions of service applicable to both categories of staff and post adjustment issues.

25. The Authority has implemented the revised ICSC compensation package (effective 1 October 2017) and in doing so availed itself of the opportunity to verify and record historical data, which also contributed to the successful implementation of the International Public Sector Accounting Standards and a more focused and accurate budget estimation on future staffing costs.

26. In Jamaica, the secretariat is an active participant in the work of the United Nations Country Team, the Operations Management Team and the Security Management Team, which include all the United Nations agencies present in Kingston. Each team has its mandate and, collectively in the reporting period, have focused on moving offices to be co-located with the Authority; needs assessment and long-term planning for common services; and improved and expanded the radio network for emergency communications to all staff.

C. Cost-saving measures

27. The latest cost-saving actions taken within the secretariat include the introduction of remote interpretation, using state-of-the-art technology. This produced significant savings with respect to the travel and hiring of United Nations interpreters, leading to overall savings on conference servicing costs of approximately 20 per cent, notwithstanding an increase in the number and frequency of meetings. The installation of light emitting diode (LED) lighting fixtures in the secretariat building generated additional savings on energy costs (see ISBA/24/FC/3). The secretariat is exploring the potential for further cost savings in the areas of travel procurement and records management.

VIII. Financial matters

A. Budget

28. At its twenty-second session, the Assembly adopted the budget for the financial period 2017–2018 in the amount of $8,408,100 (see ISBA/22/A/7/Rev.1-ISBA/22/C/19/Rev.1 and ISBA/22/A/13).

B. Status of contributions

29. In accordance with the Convention and the 1994 Agreement, the administrative expenses of the Authority shall be met by assessed contributions of its members until the Authority has sufficient funds from other sources to meet those expenses. The scale of assessments shall be based on the scale used for the regular budget of the United Nations, adjusted for differences in membership. As at 30 April 2018, 55 per cent of the value of contributions to the 2018 budget due from member States and the European Union had been received, while 30 per cent of the membership of the Authority had fully paid their 2018 assessed contribution amounts.

30. Contributions outstanding from member States for prior periods (1998–2017) amounted to $946,983 as at 30 April 2018. Notices are sent on a regular basis to member States, reminding them of the arrears. In accordance with article 184 of the Convention and rule 80 of the rules of procedure of the Assembly, a member of the Authority which is in arrears in the payment of its financial contribution shall have

no vote if the amount of its arrears equals or exceeds the amount of financial contribution due from it for the preceding two years. As at 30 April 2018, the following 52 members of the Authority had been in arrears for two years or more: Angola, Barbados, Belize, Benin, Botswana, Brazil, Burkina Faso, Cape Verde, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, the Gambia, Grenada, Guinea, Guinea-Bissau, Honduras, Iraq, Lebanon, Lesotho, Liberia, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mongolia, Montenegro, Namibia, Niger, Papua New Guinea, Saint Lucia, Sao Tome and Principe, Seychelles, Sierra Leone, Somalia, Sudan, Suriname, Swaziland, the former Yugoslav Republic of Macedonia, Timor-Leste, Togo, Tunisia, Tuvalu, Uganda, Vanuatu, Yemen, Zambia and Zimbabwe.

31. As at 31 March 2018, the balance of the working capital fund stood at $589,925 against an approved level of $660,000.

C. Voluntary Trust Fund for the members of the Legal and Technical Commission and the Finance Committee

32. The Voluntary Trust Fund for the participation of members of the Finance Committee and the Legal and Technical Commission from developing countries was established in 2002. Provisional terms and conditions for the use of the Fund were adopted by the Assembly in 2003 and amended in 2004 (see ISBA/9/A/5-ISBA/9/C/5, para. 6 and annex, and ISBA/9/A/9, para. 14) and in 2017 (see ISBA/23/A/8-ISBA/23/C/10, section XI and annex). The Fund is made up of voluntary contributions. As at 30 April 2018, the total contributions to the Fund over its lifetime amount to $700,570. Thus far in 2018, contributions were made by Argentina ($5,000), China ($20,000) and the United Kingdom ($13,969). As at 30 April 2018, the balance of the Fund was $12,357.

D. Voluntary Trust Fund for the members of the Council

33. At its twenty-third session, the Assembly requested the Secretary-General to establish a Voluntary Trust Fund to support the participation of members of the Council from developing States (see ISBA/23/A/13). As at 30 April 2018, the total contributions to the fund amounted to $80,000, from Global Sea Mineral Resources NV, UK Seabed Resource Development Ltd, Nauru Ocean Resources Inc. and Ocean Mineral Singapore PTE Ltd ($20,000 each). As at 9 May 2018, the balance of the Fund was $72,527.

E. Endowment Fund for Marine Scientific Research in the Area

34. The Assembly established the Endowment Fund for Marine Scientific Research in the Area in 2006 (see ISBA/12/A/11). Detailed rules and procedures for the administration and utilization of the Fund were adopted in 2007 (see ISBA/13/A/6, annex). The Fund aims to promote and encourage the conduct of marine scientific research in the Area for the benefit of humankind as a whole, in particular by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes, including through training, technical assistance and scientific cooperation programmes. The Fund is administered by the secretariat. Members of the Authority, other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations and private persons may make contributions to the Fund.

35. As at 31 April 2018, the capital of the Fund stood at $3,478,315. At the same date, a total amount of $550,076 had been disbursed from the interest accrued on the capital in the form of awards for projects. The most recent, and sole, contribution to the Fund during 2018 was made by the Institut français de recherche pour l'exploitation de la mer (Ifremer) in February 2018 in the amount of $5,000. Over the past three years, total contributions to the Fund amounted to $22,777. Over the same period, the Fund generated interest of $126,048, and expenditures were $84,380.

IX. Satya N. Nandan Library

36. The Satya N. Nandan Library, named after the first Secretary-General of the Authority, is the main information resource for the secretariat, members of the Authority, permanent missions and other researchers seeking specialist information on the law of the sea, ocean affairs, deep seabed mining and seabed resources. Its principal objective is to service the reference and research needs of its clientele and to provide essential support for the work of the secretariat. The Authority is committed to developing the specialized research capability of the existing collection through an acquisitions programme aimed at responding to the changes in the delivery and formats of information and knowledge, building on and strengthening the Library's comprehensive collection.

37. Work is ongoing on modernization and improved library technologies, collaborations and shared services, and online repositories. The objective is to strengthen infrastructure and services to help to lower the cost of providing scientific and legal information and to position the library as a high-quality research centre. In 2017, a new library management system was implemented using a commercially available digital cloud system. This enables the exploration of library materials using an online public access catalogue, bringing together print and digital publications, articles and web resources. Following software deployment and training, the library catalogue and system were made available and can be accessed at the computer terminals in the Library.

38. The library facilities available to visitors, including conference delegates, consist of a reading room with access to the collection for reference purposes and computer terminals for email and Internet usage. Library services include the provision of information, reference and research support and resources, as well as the distribution of the official documents and publications of the Authority. The Library is an active member of the International Association of Aquatic and Marine Science Libraries and Information Centres and the Library and Information Association of Jamaica. The library continues to strengthen its collaboration with the International Tribunal for the Law of the Sea and is a partner in the United Nations System Electronic Information Acquisition Consortium. This is a system-wide United Nations consortium that generates considerable savings for participating agencies and continues to be beneficial to both agencies.

39. The Library continues its regular acquisition programme to develop the collection. During the reporting period, the holdings were further augmented by generous donations from organizations and individuals. Donors included: the Division for Ocean Affairs and the Law of the Sea of the Office of Legal Affairs of the United Nations Secretariat; the International Tribunal for the Law of the Sea; the United Nations Environment Programme; the Food and Agriculture Organization of the United Nations; the United Nations Development Programme; the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (UNESCO); the International Maritime Organization; the UNESCO; the World Bank; the Korean Society of Oceanography;

the Polish Geological Institute; Springer Nature publishing company; Tokyo Institute of Technology; Interoceanmetal Joint Organization; the Center for Oceans Law and Policy of the University of Virginia; the Law of the Sea Institute at the University of California, Berkeley; the United States Institute of Peace; the Planning Institute of Jamaica; and the Ministry of Science, Energy and Technology of Jamaica. Individual donations were also received from Philomene Verlaan, University of Hawai'i at Manoa, Honolulu, United States of America; Malcolm Clarke, National Institute of Water and Atmospheric Research, New Zealand; Edwin Egede, Cardiff University, United Kingdom; and Kaiser DeSouza, Economic Commission for Africa. The Secretary-General is grateful to all who supported the library during the reporting period.

40. The Library receives numerous requests for research assistance, many of which reflect the increasing interest in the work of the Authority. The main focus is on the activities of the Authority, its structure, functions and future challenges, including work on the regulatory framework for seabed mining and information on fellowships and training opportunities.

X. Communications and information technology services, website and public information and outreach

A. Communications and information technology services

41. The Communications and Information Technology Service unit within the Office for Administrative Services supports the substantive work of the secretariat by administering the communications and information technology infrastructure and services and by providing technical support and training to staff members. The unit also provides support to conference services and to delegates.

42. The Secretary-General, as part of an improved governance structure to oversee the implementation and review of the communications and information technology plan and the evaluation and monitoring of other major projects of the Authority, established a Communications and Information Technology Steering Committee in October 2017 (see ISBA/ST/SGB/2017/8). The Steering Committee, consisting of senior personnel from each functional unit, has met twice during the reporting period, considered the biennial budget for all communications and information technology matters and reviewed the implementation of major projects in that area. In addition to monitoring the provision of and support for information and information technology infrastructure and services, a focus area of the Steering Committee will be on the assessment and management of risk across the communications and information technology functions, in particular disaster management and recovery plans and cybersecurity.

B. Website and public information

43. The Authority continues to maintain an online presence through its main website, providing access to general information, official documents and digital publications on a cross-browser platform. It also maintains a mobile app, ISBA-HQ, that is accessible through any mobile device or tablet and features snapshots of the functions of the Authority, its members and information about the membership of the organs of the Authority, as well as a newsfeed and access to e-book publications.

C. Outreach

44. In April 2018, the Authority participated in the Offshore Technology Conference, held in Houston, Texas, United States of America, in the capacity of the invited organization. In addition to an exhibition booth highlighting the work of the Authority and its contractors, the Authority also hosted a discussion panel on "Progress and prospects in deep sea mining — 50 years on".

45. In May 2018, the Authority exhibited at the "Long Night of the Consulates" event, hosted by the International Tribunal for the Law of the Sea in Hamburg, Germany, and highlighting the relationship between the Tribunal and the Authority alongside the Division for Ocean Affairs and the Law of the Sea, the Food and Agriculture Organization of the United Nations (FAO), the Intergovernmental Oceanographic Commission and the International Maritime Organization (IMO).

46. Other outreach tools include a quarterly newsletter, available by digital subscription, as well as social media on Twitter (@ISBAHQ) and Facebook. These are used to inform members and the public of the Authority's work and joint efforts with other organizations. The Authority also regularly issues briefing papers and technical studies summarizing legal and technical scientific workshops and seminars hosted by the Authority or jointly coordinated with other legal and scientific institutions.

XI. Relationship with the United Nations and other relevant international organizations and bodies

A. United Nations

47. The Authority actively contributed to the work and discussions of the United Nations Conference to Support the Implementation of Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development, held in New York from 5 to 9 June 2017. On that occasion, the Authority registered a series of voluntary commitments with a view to (a) enhancing the role of women in marine scientific research through capacity-building; (b) encouraging dissemination of research results through the Authority Secretary-General's Award for Excellence in Deep-Sea Research; (c) improving the assessment of essential ecological functions of the deep sea oceans through long-term underwater oceanographic observatories in the Area; and (d) enhancing deep sea marine biodiversity assessment through the creation of online taxonomic atlases linked to deep mining activities in the Area. Additional voluntary commitments were registered in partnership with other agencies, notably with the Department of Economic and Social Affairs of the United Nations Secretariat (on the abyssal initiative for Blue Growth: advancing Sustainable Development Goal 14 and the quest for a Blue Economy through the promotion of socioeconomic benefits for developing countries, including small island developing States, and increasing scientific knowledge and research capacity) and with the African Minerals Development Centre (on fostering cooperation to promote the sustainable development of Africa's deep seabed resources in support to Africa's Blue Economy and mapping the Blue Economy of Africa to support decision-making, investment and governance of activities undertaken on the extended continental shelf and in adjacent international seabed areas).

48. The Authority has taken action to launch the implementation of these voluntary commitments. For instance, on 22 March 2018, in partnership with the Office of the High Representative for the Least Developed Countries, Landlocked Developing

Countries and Small Island Developing States, the Authority co-hosted a joint side event on the margins of the sixty-second session of the Commission on the Status of Women. This side event, entitled "Enhancing the role of women in deep sea scientific research to achieve the goals and targets of the 2030 Agenda for sustainable development by vulnerable countries", was aimed at raising awareness among vulnerable countries and discussing ways and means of improving access to deep-sea marine scientific research for women from developing countries.

49. The Secretary-General's Award for Excellence in Deep-Sea Research was launched in November 2017, following the publication of guidelines for the award (ISBA/ST/SGB/2017/6) and the appointment in August 2017 of an advisory committee of internationally recognized experts in the field of deep-sea science, social sciences and humanities with experience in the law of the sea, international law or management of marine resources. The members of the advisory committee, who will serve for a period of 3 years are Annick de Marffy-Mantuano, Biliana Cicin-Sain, Chunhui Tao, David Billet and Lawrence Folajimi Awosika. Nine nominations were received for the inaugural edition of the award. The name of the winner will be announced during the twenty-fourth session of the Assembly.

50. Important progress has been made in the establishment of long-term underwater oceanographic observatories in the Area and in the enhancement of deep sea marine biodiversity assessment through the creation of online taxonomic atlases. It is expected that these two distinct voluntary commitments will be implemented by 2018 or early 2019.

51. In cooperation with the Department of Economic and Social Affairs of the United Nations Secretariat and the Pacific Community, the Authority will organize, in November 2018 in Tonga, a consultation workshop with officials of Pacific small island developing States to make progress on the implementation of the abyssal initiative for Blue Growth project. The implementation of the voluntary commitment established of fostering cooperation to promote the sustainable development of Africa's deep seabed resources in support to Africa's Blue Economy, launched in partnership with the African Minerals Development Centre of the United Nations Economic Commission for Africa, will begin with the organization of a workshop to be held in Abidjan, Côte d'Ivoire, in October 2018.

B. UN-Oceans

52. UN-Oceans is a United Nations inter-agency mechanism mandated to strengthen and promote the coordination and coherence of United Nations systems and activities related to ocean and coastal areas; regularly share information about the ongoing and planned activities of participating organizations within the framework of relevant United Nations and other mandates, with a view to identifying possible areas for collaboration and synergy; facilitate, as appropriate, inputs by its participating organizations to the annual reports of the Secretary-General of the United Nations on oceans and the law of the sea; and facilitate interagency information exchange, including the sharing of experiences, best practices, tools and methodologies and lessons learned in ocean-related matters.

53. The secretariat of the Authority is a member of UN-Oceans and participates in its meetings, as appropriate, and in accordance with its mandate. During the reporting period, the secretariat participated in a number of teleconferences and contributed to discussions on the indicators of Sustainable Development Goal 14 (c) on enhancing the conservation and sustainable use of oceans and their resources by implementing international law, as reflected in the United Nations Convention on the Law of the Sea and as recalled in paragraph 158 of General Assembly resolution 66/288, entitled

"The future we want". The secretariat also participated in the seventeenth face-to-face meeting of UN-Oceans at the headquarters of the Intergovernmental Oceanographic Commission of UNESCO, in Paris.

C. International Tribunal for the Law of the Sea and Commission on the Limits of the Continental Shelf

54. Since its inception, the Authority has enjoyed a harmonious working relationship with the International Tribunal for the Law of the Sea. On 4 December 2017, at the office of the Permanent Observer for the Authority to the United Nations, the Secretary-General and the Deputy to the Secretary-General met with the incoming President and the Registrar of the Tribunal for informal discussions on matters of mutual interest, in particular general administrative and staffing matters. Given that the informal meeting was the first such meeting since 2014, both institutions welcomed the resumption of these series of informal annual meetings. Information was exchanged on recent activities and discussions took place on, among other issues, opportunities for the organization of joint seminars and issues related to the implementation of the ICSC revised compensation package, ongoing implementation of the 2014 memorandum of agreement to form a partnership for the acquisition of electronic resources through the United Nations System Electronic Information Acquisition Consortium (see section IX).

D. Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization

55. In a joint meeting held on 27 March 2018, both secretariats discussed common activities to implement the existing memorandum of understanding. Both entities agreed to exchange seafloor bathymetric information to contribute to Seabed 2030. Once the database of the Authority will be fully functional, further exchange of information will take place, in particular with the Ocean Biogeographic Information System database of the Intergovernmental Oceanographic Commission. Among other cooperation activities, on 16 April 2018, the secretariat participated at a side event organized by the Commission and co-sponsored by the Governments of Belgium and Nauru, during the organizational meeting of the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction.

56. In May 2017, the Authority was invited by the Intergovernmental Oceanographic Commission to co-develop the conception of and proposal for the International Decade of Ocean Science for Sustainable Development. In February 2018, moving to the design phase, the Commission invited the Authority to be an integral part of the preparation process. Subsequently, in March 2018 the International Seabed Authority and Commission teams reviewed further ways and means of joint cooperation to advance the design of the Decade of Ocean Science, incorporating the Authority into the planning group that the Commission's Council expects to establish in July 2018.

E. International Maritime Organization and the World Maritime University

57. During the reporting period the Authority increased substantially dialogue and cooperation with IMO as part of the implementation of the 2016 cooperation

agreement concluded between both organizations. It was also necessary to explore the applicable legal and institutional frameworks of both organizations in connection with the ongoing development of draft exploitation regulations. In this connection, an informal meeting took place with the Office for the London Convention/Protocol and Ocean Affairs of the Marine Environment Division to exchange information on recent activities and institutional best practices. In addition, IMO invited the Authority to consider joining the Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (see paras. 59–62 below) as a sponsoring organization. An informal meeting was also held with the Director of the International Oil Pollution Compensation Funds for a general exchange of views on the work of both entities.

58. On 14 February 2018, the Secretary-General paid a courtesy visit to the Secretary-General of IMO. The occasion offered a good opportunity for both to exchange general views on the work of both institutions. The Secretary-General of the Authority described the ongoing process of regulatory development and the need to understand each organization's legal and institutional functions and responsibilities in the context of issues related to activities in the Area and maritime transportation of the ore recovered from the Area. It was proposed to organize a joint meeting between the legal and scientific and technical teams of both organizations to discuss the matter. The Secretary-General of IMO offered to host such a meeting, which was scheduled to take place in June 2018. The Secretary-General of the Authority and the Legal Counsel also met informally with the Director of the Legal Affairs and External Relations Division of IMO to exchange views on general legal and institutional matters.

59. In May 2018, the Secretary-General of the Authority participated, along with the Secretary-General of IMO, the President of the International Tribunal for the Law of the Sea and the Deputy Prime Minister of Sweden, Isabelle Lovin, in the Global Ocean Conference of the World Maritime University, held on 8 and 9 May 2018 in Malmo, Sweden. At the Conference, the World Maritime University-Sasakawa Global Ocean Institute was inaugurated. The Secretary-General and the President of the World Maritime University held informal discussions on a memorandum of understanding between the two institutions, which is being developed further at the secretariat level.

F. Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection

60. The Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection is an advisory body, established in 1969, that provides independent advice to the United Nations system on the scientific aspects of marine environmental protection. The Joint Group of Experts acts as a mechanism for coordination and collaboration among the sponsoring organizations. Its functions are to conduct and support marine environmental assessments, to undertake in-depth studies, analyses and reviews of specific topics and to identify emerging issues regarding the state of the marine environment. At present the Joint Group of Experts is jointly sponsored by nine United Nations entities. The United Nations sponsors are: IMO, FAO, the Intergovernmental Oceanographic Commission of UNESCO, the World Meteorological Organization, the World Health Organization, the International Atomic Energy Agency, the United Nations, the United Nations Environment Programme and the United Nations Industrial Development Organization.

61. Based on the invitation addressed to the Authority by IMO, the secretariat finalized the necessary procedures for the Authority to become the tenth sponsoring organization of the Joint Group of Experts. The Secretary-General appointed the

Director of the Office of Environmental Management and Mineral Resources as the Authority's technical secretary participating in the Joint Group's Executive Committee. By joining the Joint Group, the different organs of the Authority will benefit in terms of enhanced scientific cooperation and expert advice in matters relating to the protection of the marine environment. In particular, the members of the Joint Group of Experts could potentially assist the Legal and Technical Commission in the exercise of its functions by providing options for consulting experts[2] and in making recommendations to the Council on the protection of the marine environment, taking into account the views of recognized experts in that field.[3]

62. The primary functions of the Executive Committee are to plan and approve the Joint Group's budget and work plan, select members of the Joint Group from the pool of experts, propose provisional agendas for Joint Group sessions and adopt terms of reference for its working groups.

63. Currently, the Joint Group's working group 42 is working on the impacts of wastes and other matter in the marine environment from mining operations. This subject is of relevance to the work of the Authority in the area. The objective of that working group is to provide independent advice on what environmental impacts could arise from both land-based tailings and marine minerals mining wastes. The outcomes will be made public by the Joint Group in the form of a report.

G. International Cable Protection Committee

64. In February 2018, the Secretary-General and the Deputy to the Secretary-General met informally with the Chairman of the International Cable Protection Committee and the International Cable Law Adviser. The objective of the informal meeting was to discuss the preparation of a second workshop on deep seabed mining and submarine cables, which is likely to be held in late October 2018. Additionally, the meeting gave the opportunity to both entities to discuss general issues of mutual interest. Both entities were of the view that the informal encounter served to further implement the memorandum of understanding concluded in 2010.

H. OSPAR Commission for the Protection of the Marine Environment in the North-East Atlantic

65. The secretariat of the Authority and the secretariat of the OSPAR Commission for the Protection of the Marine Environment in the North-East Atlantic have cooperated over the years, exchanging information on matters of mutual interest on the basis of the 2011 memorandum of understanding between the two organizations.

66. In March 2018, the secretariat was invited by the OSPAR Commission and the North-East Atlantic Fisheries Commission to participate in the fourth meeting under the collective arrangement for the management of selected areas in the north-east Atlantic, jointly organized by the two Commissions, held on 7 and 8 May at the Ministry of Fisheries, Berlin. Although the secretariat was unable to participate in this meeting, it was able to send, for the second year in a row, a written statement for its circulation at that meeting. This time, the written statement focused on the report of the Secretary-General to the Council outlining a preliminary strategy for the development of regional environmental management plans in parts of the Area where there are currently contracts for exploration (ISBA/24/C/3). It was also suggested that the Authority's upcoming international workshop on developing a framework for

[2] United Nations Convention on the Law of the Sea, article 163(13).

[3] Ibid., article 165(2)(e).

regional environmental management plans for polymetallic sulphides deposits in mid-ocean ridges represented a good opportunity for the two Commissions to contribute to these processes under the auspices of the Authority with available environmental data and scientific analyses. It was also highlighted that the OSPAR contribution on exchange of information would also serve to further implement the objectives reflected in the 2011 memorandum of understanding on issues related to inter-agency cooperation, information exchange and encouraging the conduct of marine scientific research.

I. Relationship with other organizations

67. The Authority participated as an observer at the Convention on Biological Diversity expert workshop to develop options for modifying the description of ecologically or biologically significant marine areas, for describing new areas and for strengthening the scientific credibility and transparency of this process, which was held in Berlin, from 5 to 8 December 2017. As a follow-up to the workshop, the secretariat was invited by the Convention on Biological Diversity secretariat to participate in the peer review process concerning the report of the expert workshop to support the preparation of the relevant document for the 22nd meeting of the Subsidiary Body on Scientific, Technical and Technological Advice. The secretariat submitted comments emphasizing its role as the competent international organization in relation the Area, in accordance with part XI of the Convention. Regrettably, those comments were not reflected in the official Subsidiary Body note prepared by the Convention on Biological Diversity secretariat, containing an annex with options for modifying the description of ecologically or biologically significant marine areas, for describing new areas and for strengthening the scientific credibility and transparency of the process. According to the Convention on Biological Diversity secretariat, a separate information document will be issued in the coming weeks with the contributions submitted during the peer review, including that made by the Authority's secretariat.

XII. Relations with the host country

68. The secretariat enjoys an excellent and cordial working relationship with the host country. During the period covered by the present report, meetings were organized between the Secretary-General and Kamina Johnson Smith, Minister of Foreign Affairs and Foreign Trade of Jamaica, to discuss matters of common interest, including issues relating to the condition of the secretariat building and the implications for the Authority of the proposed relocation of the United Nations agencies present in Jamaica to the building currently occupied by the Authority.

XIII. Previous session of the Authority

A. Implementation of the decision of the Assembly relating to the final report on the first periodic review of the international regime of the Area pursuant to article 154 of the United Nations Convention on the Law of the Sea

69. At its twenty-third session, the Assembly approved the final report on the periodic review of the Authority pursuant to article 154 of the Convention (see ISBA/23/A/13). At the same time, a number of requests were addressed to the Secretary-General in connection with the implementation of the decision of the

Assembly pertaining to the final report of the review committee. The following requests were actioned during the reporting period: the revised meeting schedule endorsed by the Assembly was implemented for 2018, with additional meetings being facilitated from within existing budgetary resources; a voluntary trust fund has been set up to defray the costs of participation of Council members from developing countries(see section VIII.C above), and the secretariat continues to update national laws relating to activities in the Area (see section XV.C).

70. Other requests made by the Assembly are being addressed by the secretariat as appropriate. These include carrying out a comparative study of existing national laws before the end of 2018; making progress on the implementation of the database; the continued review of staffing requirements within the secretariat; the focus on development and performance of staff; and, in collaboration with the Legal and Technical Commission, the review of and improvements to the annual contractor reporting process. Additionally, the Assembly encouraged the Secretary-General to enhance coordination and cooperation with other relevant international organizations and stakeholders(see section XI above) and to consider ways to engage more extensively with the scientific community.

B. Strategic plan for the Authority for the five-year period 2019–2023

71. Following the request made by member States at the twenty-third session (see ISBA/23/A/13), a draft strategic plan for the Authority for the period 2019–2023 has been prepared for consideration by the Assembly at its twenty-fourth session.

72. Preparatory work for the draft strategic plan included consultation with the permanent representatives to the Authority in Kingston and an open briefing to members of the Authority at United Nations Headquarters in New York. A first draft of a strategic plan was presented in February 2018 in English and French, the two working languages of the Authority. As part of the consultation efforts of the Secretary-General, an open informal briefing took place on 7 March 2018 on the margins of the first part of the session of the Council. This briefing was open to members of the Authority and those observers present in Kingston. Several suggestions and comments were made on that occasion.

73. From 12 March to 27 April 2018, the draft strategic plan was opened for consultation to members of the Authority and stakeholders. A total of 23 submissions were received from members of the Authority (15), observers (4), contractors (3) and an individual (1). The Secretary-General has revised the draft strategic plan, taking into account the suggestions and comments made during the consultation period and at the various meetings and briefing sessions. The plan, as revised, is presented for consideration and adoption by the Assembly (see ISBA/24/A/4).

C. Twenty-third session

74. The twenty-third session of the Authority was held in Kingston from 8 to 18 August 2017. The Assembly held its 162nd to 170th meetings and elected Eugénio João Muianga (Mozambique) as its President. During the session, the Assembly considered and debated the annual report of the Secretary-General of the Authority, submitted in accordance with article 166, paragraph 4, of the Convention (see ISBA/23/A/2 and a summary of the debate in ISBA/23/A/14). The Assembly considered the final report of the Review Committee established to oversee the implementation of the Convention under article 154 (see ISBA/23/A/3) and adopted a decision on the final report and recommendations of the Review Committee (see ISBA/23/A/13 and a summary of the debate in ISBA/23/A/14). Acting on the

recommendations of the Council, the Assembly adopted, respectively, a decision on amendments of the staff regulations of the Authority (see ISBA/23/A/11) and a decision on financial and budgetary matters (see ISBA/23/A/12).

75. The Council held its 223rd to 230th meetings and elected Ariel Fernández (Argentina) as its President. During the session, the Council took note of the report on the status of contracts for exploration in the Area (see ISBA/23/C/7), the report on the status of national legislation relating to deep seabed mining (see ISBA/23/C/6) and the report on the implementation of the decision of the Council in 2016 relating to the summary report of the Chair of the Commission (see ISBA/23/C/8). Acting on the recommendation of the Commission, the Council approved an application for the approval of a plan of work for exploration for polymetallic sulphides submitted by the Government of Poland and requested the Secretary-General to issue the plan of work in the form of a contract between the Authority and the Government of Poland (see ISBA/23/C/11). Also acting on the recommendation of the Commission, the Council approved the application for a five-year extension of the contract for exploration for polymetallic nodules submitted by the Government of India (see ISBA/23/C/15). The Council considered the summary report of the Chair of the Commission on the work of the Commission during the twenty-third session (ISBA/23/C/13) and adopted a decision relating to that report (ISBA/23/C/18). During the consideration of the draft exploitation regulations, the Council welcomed the continued work of the secretariat and the Commission in this respect and requested the work on draft regulations to continue as a matter of priority. The Council also welcomed the circulation of the draft regulations to stakeholders and encouraged them to make submissions no later than 31 December 2017. The Council requested that the revised draft regulations be circulated in sufficient advance to allow for substantive consideration and discussion by the Council at its next session (see ISBA/23/C/18). Acting on the recommendation of the Finance Committee, the Council adopted a decision relating to financial and budgetary matters (see ISBA/23/C/17). The Council considered proposed amendments to the staff regulations of the Authority and decided to adopt and apply provisionally the proposed amendments (see ISBA/23/C/4 and ISBA/23/C/16, annex).

D. First part of the twenty-fourth session of the Authority

76. Owing to the increased workload of the Authority, the Assembly endorsed a revised schedule of meetings for 2018 and 2019 (ISBA/23/A/13, sect. D, para. 1). Accordingly, the Council held 10 meetings from 5 to 9 March 2018, immediately prior to the two-week session of the Legal and Technical Commission. The second part of the session will be held from 16 to 20 July 2018, after the meetings of the Commission and before the meetings of the Assembly.

77. The Council elected Olav Myklebust (Norway) as President of the Council for the twenty-fourth session. Subsequently, following consultations among the regional groups, the Council elected the representatives of Côte d'Ivoire (African States), India (Asia-Pacific States), Poland (Eastern European States) and Brazil (Latin American and Caribbean States) as Vice-Presidents.

78. The Council elected Ahmed Farouk (Egypt) to fill a vacancy on the Legal and Technical Commission. The Council also approved the memorandum of understanding between the Asian-African Legal Consultative Organization and the Authority, which sets out the areas for cooperation between the two organizations. The Council also took note of reports on the implementation of the decision of the Council in 2017 relating to the summary report of the Chair of the Legal and Technical Commission and endorsed a more coherent strategy for the development of regional environmental management plans. The Council also met in an informal setting to

provide guidance to the Commission in relation to the development of the regulations on exploitation of mineral resources in the Area. The statement of the President on the work of the Council during March 2018 is contained in document ISBA/24/C/8.

XIV. Ongoing supervision of contracts for exploration and award of new contracts as necessary

79. At the core of the Authority's functions, as the organization through which States parties to the Convention administer the resources of the Area, is the responsibility to approve and issue contracts to qualified entities wishing to explore for or exploit deep-sea mineral resources. The contractual nature of the relationship between the Authority and those wishing to conduct activities in the Area is fundamental to the legal regime established by Part XI of the Convention and the 1994 Agreement. Annex III to the Convention, in which the "Basic conditions of prospecting, exploration and exploitation" are set out, also forms an integral part of that legal regime, which is further elaborated in the rules, regulations and procedures adopted by the Authority.

A. Status of contracts for exploration

80. As at 30 April 2018, 29 contracts for exploration had entered into force (17 for polymetallic nodules, 7 for polymetallic sulphides and 5 for cobalt-rich ferromanganese crusts). This includes two new contracts. A contract for exploration for polymetallic sulphides with the Government of Poland came into force on 11 February 2018, and a contract for exploration for cobalt-rich ferromanganese crusts was signed with the Government of the Republic of Korea on 27 March 2018.

81. Following the decision of the Council to approve a five-year extension of the contract for exploration for polymetallic nodules with the Government of India (ISBA/23/C/15), the extension agreement was signed in Kingston on 27 March 2018.

B. Status of annual reports submitted by the contractors

82. Each contractor is required to submit an annual report to the Secretary-General within 90 days of the end of each calendar year, covering its programme of activities in the exploration area. As at 30 April 2018, the full complement of 27 expected annual reports had been received by the secretariat.

C. Informal meeting of the contractors

83. In continuation of a practice started from 2017, the Secretary-General intends to convene an informal meeting of contractors during 2018, most likely in September. The purposes of the meeting will include updating the contractors on the new database of the Authority and holding informal exchanges on other matters of concern, including the status of the development of the regulatory framework for the exploitation of mineral resources.

XV. Progressive development of the regulatory regime for activities in the Area

84. The Authority's mandate includes the continued development of a regulatory regime governing the exploration for and exploitation of mineral resources in the Area, consistent with the Convention and the 1994 Agreement, which provides adequate security of tenure, the development of the common heritage of mankind on the basis of sound commercial principles and ensuring effective protection for the marine environment. The regulatory regime would ultimately be contained in a mining code, which would comprise the whole of the comprehensive set of rules, regulations and procedures issued by the Authority to regulate the prospecting, exploration and exploitation of mineral resources in the Area, including applicable standards, and technical and administrative guidelines issued by the Authority.

A. Prospecting and exploration

85. There are currently three sets of regulations covering prospecting and exploration for polymetallic nodules (ISBA/19/C/17, annex), polymetallic sulphides (ISBA/16/A/12/Rev.1, annex) and cobalt-rich ferromanganese crusts (ISBA/18/A/11, annex). In addition to specifying the application process for the approval of a plan of work for exploration, the regulations set out the standard terms and conditions, applicable to all entities, of contracts for exploration concluded with the Authority.

86. The regulations are supplemented by recommendations for the guidance of contractors issued by the Legal and Technical Commission. At present, recommendations that have been issued by the Commission include:

(a) Recommendations for the guidance of contractors and sponsoring States relating to training programmes under plans of work for exploration (ISBA/19/LTC/14);

(b) Recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area (ISBA/19/LTC/8);

(c) Recommendations for the guidance of contractors for the reporting of actual and direct exploration expenditure (ISBA/21/LTC/11); and

(d) Recommendations for the guidance of contractors on the content, format and structure of annual reports (ISBA/21/LTC/15).

87. The recommendations for the guidance of contractors for the assessment of the possible environmental impacts arising from exploration for marine minerals in the Area is currently under review by a working group in the Commission. A revised document will be presented by the working group for consideration by the Commission in July 2018 (see ISBA/24/C/9).

B. Exploitation

88. It is recalled that in August 2017 the secretariat issued a set of draft regulations on exploitation of mineral resources in the Area (see ISBA/23/C/12) for stakeholder comment. The consolidated draft regulations were built on a first working draft issued by the Legal and Technical Commission in July 2016 and incorporated provisions relating to the protection of the marine environment, inspection and regulations for the calculation and administration of a royalty liability. During the final quarter of 2017, the secretariat engaged experts at the Massachusetts Institute of Technology to

develop a working financial and economic model for the Authority in connection with the development of financial terms for future exploitation contracts.

89. During the first part of the twenty-fourth session, in March 2018, the Council met in an informal setting to consider an informal briefing note prepared by the secretariat on submissions by members of the Authority and other stakeholders in relation to the draft regulations on exploitation of mineral resources in the Area and to advance its first substantive discussion on the draft exploitation regulations, including financial terms. This discussion benefited from a workshop hosted by the Foreign and Commonwealth Office of the United Kingdom and the Royal Society, held in London on 12 and 13 February 2018, which addressed a number of common themes arising from submissions to the draft regulations. The Council requested the Legal and Technical Commission to address a number of points and actions during its meetings in 2018 (see ISBA/24/C/8).

90. At its meetings in March 2018, the Commission considered the requests made by the Council together with submissions made by members of the Authority and other stakeholders with respect to the draft exploitation regulations (see ISBA/24/C/9). The Commission requested that the secretariat prepare a revised text of the draft regulations for its consideration in July 2018 in the light of discussions held in the Commission. A revised text has been made available as a working paper as document ISBA/24/LTC/WP.1. A commentary for the benefit of the Commission, members of the Authority and other stakeholders has been issued as document ISBA/24/LTC/6.

91. The Council also requested that the Commission collaborate with the Finance Committee and make recommendations to the Council on the respective roles and responsibilities of the Commission and the Committee in order to facilitate cooperation in the development of the draft regulations, in particular the payment mechanism and, more specifically, administrative fees, and the development of equitable sharing criteria. A joint meeting between the Commission and the Council will be held on 13 July 2018. To aid in that discussion, the secretariat has produced a note to clarify the functions of the respective organs of the Authority in relation to the preparation of rules, regulations and procedures on exploitation of mineral resources in the Area and in relation to the system of compensation envisaged under article 151 (10) of the United Nations Convention on the Law of the Sea (ISBA/24/C/10).

C. National laws and regulations relating to deep seabed mining

92. At the seventeenth session of the Authority, in 2011, the Council requested the Secretary-General to prepare a report on the laws, regulations and administrative measures adopted by sponsoring States and other members of the Authority with regard to activities in the Area, and invited, for that purpose, sponsoring States and other members of the Authority, as appropriate, to provide the secretariat with information on, or the texts of, relevant national laws, regulations and administrative measures (see ISBA/17/C/20, para. 3). Subsequently, the secretariat established an online database of the information on, or the texts of, national laws, regulations and administrative measures that had been submitted to it and submitted an annual report on the status of such national legislation to the Council (ISBA/18/C/8 and Add.1, ISBA/20/C/12, ISBA/20/C/11 and Corr.1 and Add.1, ISBA/21/C/7, ISBA/22/C/8 and ISBA/23/C/6).

93. On 26 March 2018, the secretariat circulated a note verbale inviting sponsoring States and other members of the Authority to submit to the secretariat texts of their relevant national laws, regulations and administrative measures or related

information. In response to that note, Tuvalu submitted the Tuvalu Seabed Minerals Act 2014. China submitted three regulatory documents issued by the State Oceanic Administration relating to exploration activities in the Area. Montenegro provided some legislation relating to law of the sea matters.

94. As at 31 May 2018, the following 29 States had provided information on, or the texts of, relevant national laws, regulations and administrative measures: Belgium, Brazil, China, Cook Islands, Cuba, Czechia, Dominican Republic, Fiji, France, Georgia, Germany, Guyana, India, Japan, Kiribati, Mexico, Montenegro, Nauru, Netherlands, New Zealand, Nigeria, Niue, Oman, Republic of Korea, Singapore, Tonga, Tuvalu, United Kingdom, United States of America and Zambia. A submission was also received from the secretariat of the Pacific Community.

XVI. Promotion and encouragement of marine scientific research in the Area

95. The promotion of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental impact of activities in the Area, is a key focus area for the Authority. The Authority has engaged in several international initiatives as a partner in support of marine scientific research.

96. In February 2017, the Office of Environmental Management and Mineral Resources of the secretariat participated in the second Joint Programming Initiative Healthy and Productive Seas and Oceans (JPI Oceans) MiningImpact meeting, held in Bremen, Germany, on the theme "Ecological Aspects of Deep-Sea Mining". JPI Oceans is funded by the European Union Horizon 2020 research and innovation programme. The Authority has become an official partner of the JPI Oceans MiningImpact project.

97. In September 2017, the Authority organized a workshop in Berlin in collaboration with the International Marine Minerals Society and the Pew Environment Group. The workshop dealt with the definition and use of area-based management tools for environmental assessment during exploitation as required in the regulations for each of the three minerals. The regulations foresee the design of impact reference zones and preservation reference zones prior to exploitation. The workshop brought together contractors and stakeholders to provide recommendations to the Legal and Technical Commission to help in their design.

98. From October 2017, the secretariat engaged in the organization of a scientific cruise entitled "Plumex" with R/V Sally Ride off the shores of California, United States of America, to study experimental plume releases. This cruise took place in March 2018 and was organized by the Massachusetts Institute of Technology, JPI Oceans, and the Belgian contractor GSR in collaboration with the Scripps Institution of Oceanography, University of California, San Diego. The secretariat also engaged with the University of Hawaii and the International Atomic Energy Agency in a collaborative effort to implement a long-term monitoring system in the area, specifically in the Clarion-Clipperton Fracture Zone. This initiative forms the core of a voluntary commitment for the sustainable development goals of UN-Oceans.

99. It is understood that processing technologies can cost up to 70 per cent of a total seabed mining project, thus having a major impact on the economic feasibility of deep-sea mining. A workshop on processing technologies, metal recoveries and their impact on the economic feasibility of deep-sea mining has been proposed and is to be held in Poland in September 2018, in collaboration with Interoceanmetal Joint Organization and the Polish Ministry of Environment.

XVII. Regional environmental management plans

100. The Council adopted the first-ever environmental management plan for the Area in the Clarion-Clipperton Zone in 2012.[4] This process included the designation of a network of nine areas of particular environmental interest through a collaborative process involving relevant stakeholders. Since 2012, the Council has repeatedly called upon the secretariat and the Legal and Technical Commission to make progress on the development of similar regional environmental management plans in other parts of the Area, in particular where contracts for exploration currently exist.[5] These calls have been reflected in the resolutions of the General Assembly.[6]

101. In March 2018, the Council took note of the preliminary strategy for the development of regional environmental management plans under the auspices of the Authority for key provinces where exploration activities under contracts are carried out.[7] The Council also agreed with the priority areas that had been identified on a preliminary basis as the Mid-Atlantic Ridge, the Indian Ocean triple junction ridge and nodule-bearing province, as well as the North-west Pacific and South Atlantic for seamounts. The Council also noted that the preliminary strategy laid out a coherent and coordinated approach to the process and identified as essential that plans be developed in a transparent manner under the auspices of the Authority, in the light of its jurisdiction under the Convention and the Agreement relating to the implementation of Part XI of the Convention.[8]

102. Implementation of this preliminary strategy has started with the organization of two workshops. The first workshop, organized in collaboration with China Ocean Mineral Resources Research and Development Association, will take place in Qingdao, China, in May 2018 and will focus on building a road map for a regional environmental management plan in the cobalt-crust area of the North-west Pacific. The second workshop will take place in Szczecin, Poland, in June 2018 and will address the design of regional environmental management plans for polymetallic sulphides. Meanwhile, during the second half of 2018, a workshop will be held to review the status of implementation of the 2012 environmental management plan established for the Clarion-Clipperton Zone region.

XVIII. Data management strategy

103. The database management programme is currently in phase six of a nine-phase implementation plan. Phase six will see the delivery of a fit-for-purpose database and application interface to store the Authority's digital data. This phase also includes stakeholder training and the production of a database management user manual. The conclusion of phase seven of the implementation plan (integration and acceptance testing) will see the end of active development on the project, with the remaining phases being phase eight (correction and documentation), and phase nine (one-year implementation support). The implementation of the database management programme is expected to be completed in October 2018, with a soft launch of the application to various user groups. In parallel with the launch of the application, the secretariat will initiate the migration and insertion of data from various sources, the most important of which are the historic template data and data that have been

[4] See ISBA/17/LTC/7, ISBA/17/C/19 and ISBA/18/C/22.

[5] See, inter alia, ISBA/20/C/31, para. 9; ISBA/21/C/20, para. 10; ISBA/22/C/28, para. 11; and ISBA/23/C/18, para. 16.

[6] See resolutions 69/245, para. 51; 70/235, para. 60, and 72/73, para. 71.

[7] See ISBA/24/C/3.

[8] See ISBA/24/C/8, para. 10.

extracted from various sources and geo-referenced using geographic information system technology by the secretariat.

104. The secretariat has also initiated work on the evaluation of information and data relating to the areas reserved for the Authority, which will be an important requirement for the future operationalization of the Enterprise. A series of maps have been prepared, which would be compiled as a preliminary atlas and updated periodically.

XIX. Capacity development and training

105. The Authority carries out its mandate of promoting marine scientific research in the Area and building the capacity of developing States in deep-sea research and technology[9] through the Authority's contractor training programmes, its Endowment Fund for Marine Scientific Research in the Area and its internship programme.

A. Contractor training programme

106. Authority contractors have a legal obligation to provide and fund training opportunities for trainees from developing States and the Authority. Between 2013 and 2017, a total of 69 training places were provided by 11 contractors. The types of training included at-sea training; engineering training; fellowship training, including master's and PhD programmes; internships; workshops; and seminars. Among the selected trainees, 26 were from the African group, 22 from the Asia-Pacific group, 2 from the Eastern European group and 19 from the Group of Latin American and Caribbean States. A total of 22 of the 69 trainees were women.

107. As at 31 May 2018, in the previous year, 21 candidates had been selected for training placements under nine exploration contracts (six from the African group, seven from the Asia-Pacific group, one from the Eastern European group and seven from the Group of Latin American and Caribbean States). A total of 11 of the successful candidates were women. All training opportunities are advertised on the Authority's website and are circulated to members of the Authority.

108. If all existing contracts and approved plans of work are implemented according to the recommendations made by the Legal and Technical Commission with respect to training programmes, approximately 200 training places will be made available by contractors between 2017 and 2021.

B. Endowment Fund for Marine Scientific Research in the Area

109. The Endowment Fund for Marine Scientific Research in the Area aims to promote and encourage the conduct of marine scientific research in the Area for the benefit of mankind as a whole, in particular by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes and offering them opportunities to participate in training, technical assistance and scientific cooperation programmes. Pursuant to the agreed procedures, a new advisory panel was appointed by the Secretary-General in 2017 to evaluate applications for assistance from the Fund and make recommendations to the Secretary-General. The names of the members are listed in the annex to the present report. The panel will serve for a three-year period ending in November 2020.

[9] United Nations Convention on the Law of the Sea, articles 143 and 144.

110. In 2017, with the award of $10,000 from the Endowment Fund, the Second Institute of Oceanography, China, was able to start the preparatory work for the international cooperative study of seafloor sulphides on slow and ultra-slow spreading ridges, to be conducted under the framework of InterRidge, an international scientific collaboration. The project will span two years and is expected to be completed in 2019. In late 2018, an academic workshop, supported by the grant from the Endowment Fund, will be held on resources exploration and assessment of seafloor massive sulphides on slow and ultra-slow spreading ridges. Two young scientists from developing countries will be selected to participate in this project.

111. An award of $8,000 to the Second Institute of Oceanography, China, was used to provide scholarships to seven candidates (from Brazil, Cameroon, India, Kenya, Malaysia and Thailand) to attend the 2017 "Summer academy on deep seabed mining: interaction of science, technology and legal development", convened by Shanghai Jiao Tong University, China. An award of $4,000 to the Center for Oceans Law and Policy, University of Virginia, enabled two candidates from China to attend the 2017 summer session of the Rhodes Academy. An award of $8,960 allowed InterRidge to offer fellowships to post-doctoral researchers from India and the Islamic Republic of Iran.

112. The fifteenth meeting of the advisory panel was held on 15 March 2018. The funds available for use in 2018 totalled approximately $58,000. The panel recommended awards from the Fund as follows: $12,000 to the Deep-Ocean Stewardship Initiative to support the attendance of postgraduate students and researchers from developing countries to the fifteenth International Deep-Sea Biology Symposium and a Deep-Ocean Stewardship Initiative workshop to be held from 9 to 14 September 2018 in Monterey, California, United States of America; $5,000 to the Center for Oceans Law and Policy, University of Virginia, for the 2018 session of the Rhodes Academy; $7,500 to Xiamen University, China, for the 2018 summer session of the Marco Polo-Zheng He Academy of Oceans Law and Policy; and $13,000 to Shanghai Jiao Tong University to support its 2018 summer academy.

113. As at 31 May 2018, a total of 126 young scientists or government officials from 45 countries had benefitted from the Fund. The beneficiaries include representatives of all regional groups: the African group (Angola, Cameroon, Egypt, Kenya, Madagascar, Mauritania, Mauritius, Namibia, Nigeria, Sierra Leone, South Africa and Tunisia); the Asia-Pacific group (Bangladesh, China, the Cook Islands, Fiji, India, Indonesia, Malaysia, Micronesia (Federated States of), Palau, Papua New Guinea, the Philippines, Sri Lanka, Thailand, Tonga and Viet Nam); the Eastern European group (Bulgaria and the Russian Federation); the group of Latin American and Caribbean States (Argentina, Bolivia (Plurinational State of), Brazil, Chile, Costa Rica, Guyana, Jamaica, Suriname and Trinidad and Tobago); the Western European and other States group (Greece, Malta and Norway); and Observer States (Colombia, the Islamic Republic of Iran, Peru and Turkey). Of the 126 beneficiaries to date, a total of 47 (or 37.3 per cent) were women.

114. The secretariat will continue to take steps to generate interest in the Endowment Fund on the part of potential donors and institutional partners. It is also noted that, during the twenty-third session, the Council of the Authority, in its decision relating to financial and budgetary matters, strongly encouraged members of the Authority to make voluntary contributions to the fund (ISBA/23/C/17/Rev.1). Regrettably, there has been only one contribution to the Fund since 2016 in the amount of $5,000 from Ifremer on 12 February 2018. The Fund is one of the principal mechanisms for enabling capacity-building in the field of marine scientific research in the deep ocean, and the Secretary-General wishes to encourage members of the Authority, other States, relevant international organizations, academic, scientific and technical

institutions, philanthropic organizations, corporations and private persons to contribute to it.

C. Internship

115. The purpose of the Authority's internship programme is twofold: (a) to provide a framework through which students and young government officials from diverse academic backgrounds gain exposure to the work and functions of the Authority in order to enhance their educational experience and gain experience in the work of the Authority; and (b) to enable the Authority to benefit from the assistance of qualified students and young government officials specialized in various skills within the scope of activities of the Authority. The Authority accepts interns on a limited basis, depending on the specific needs of respective offices and their capacity to effectively support, accommodate and supervise the interns.

116. As at 31 May 2018, a total of 27 university graduates or governmental officials from Australia, Belgium, Brazil, Chile, China, Colombia, the Cook Islands, Ecuador, Fiji, France, Germany, Italy, Jamaica, Japan, Norway, Papua New Guinea, Tonga, the United Kingdom and the United States of America have participated in the internship programme.

117. Interns are responsible, where appropriate, for obtaining the necessary visas and arranging their travel to and from Kingston, as well as accommodation and travel in Kingston. Costs and arrangements for travel, visas, accommodation and living expenses are also the responsibility of the interns or their sponsoring institutions. They are not financially remunerated by the Authority. One consistent and major constraint in providing internships, especially to individuals from developing countries, is that the Authority has no funding to support interns, who must therefore find their own financial support for travel and subsistence. The Secretary-General would welcome any possible extrabudgetary support for the internship programme to benefit individuals from developing countries.

Annex

Members of the advisory panel of the International Seabed Authority Endowment Fund for Marine Scientific Research in the Area

(2017–2020)

Georgy Cherkashov (reappointed)

Deputy Director
Institute for Geology and Mineral Resources of the Ocean, Russian Federation

Tian Qi

Permanent Representative to the International Seabed Authority and Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Jamaica

Jean-Michel Despax (reappointed)

Permanent Representative to the International Seabed Authority and Ambassador Extraordinary and Plenipotentiary of the Republic of France to Jamaica

Inés Fors Fernández

Permanent Representative to the International Seabed Authority and Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba to Jamaica

Janet Omoleegho Olisa

Permanent Representative to the International Seabed Authority and Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Nigeria to Jamaica

Dorca Auma Achapa

Head of the International Law Division
Office of the Attorney-General, Kenya

Alan Evans

Marine Science Policy Adviser
National Oceanography Centre, Southampton, United Kingdom

International Seabed Authority ISBA/24/A/3

Assembly

Distr.: General
8 May 2018

Original: English

Twenty-fourth session
Kingston, 2–27 July 2018
Item 6 of the provisional agenda*
Consideration of requests for observer status in accordance with rule 82, paragraph 1 (e), of the rules of procedure of the Assembly

Application process and other procedures for non-governmental organizations under rule 82, paragraph 1 (e), of the rules of procedure of the Assembly

Note by the secretariat

1. To date, the Assembly has invited 25 non-governmental organizations to participate as observers in its work in accordance with rule 82, paragraph 1 (e), of its rules of procedure.[1] That rule provides for such participation by non-governmental organizations with which the Secretary-General has entered into arrangements in accordance with article 169, paragraph 1, of the United Nations Convention on the Law of the Sea and other non-governmental organizations invited by the Assembly that have demonstrated their interest in matters under consideration by the Assembly.

2. Paragraphs 5 and 6 of the same rule further provide that observers referred to in paragraph 1 (e) of that rule may sit at public meetings of the Assembly and, upon the invitation of the President and subject to approval by the Assembly, may make oral statements on questions within the scope of their activities, and that written statements submitted by observers referred to in paragraph 1 (e) of that rule within the scope of their activities which are relevant to the work of the Assembly should be made available by the secretariat in the quantities and in the languages in which the statements are submitted.

3. In addition, under rule 75 of the rules of procedure of the Council, upon the invitation of the Council, observers referred to in rule 82 above may designate representatives to participate, without the right to vote, in the deliberations of the Council on questions affecting them or within the scope of their activities.

4. The Assembly generally considers applications for observer status as an agenda item at the opening meeting of each annual session. The application is submitted to the Assembly as a note by the secretariat including, without modification, the letter

* ISBA/24/A/L.1.

[1] A list of observers admitted under rule 82 is available from www.isa.org.jm/observers.

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from the applicant together with supporting information in a standard format. To date, the process has been adequate. In the case of one application submitted for consideration at the twenty-third session, however, a number of delegates expressed concern over the lack of information provided by the applicant, which did not allow a proper assessment of its merits. The Assembly agreed to defer the decision on that application until full information, in the standard format in an official document, had been received for its consideration (ISBA/23/A/14, para. 8).

5. The Assembly has not adopted guidelines or objective criteria according to which it can assess the merits of applications for observer status under rule 82 of the rules of procedure, in particular whether applicants have demonstrated their interest in matters under consideration by the Assembly, apart from a simple review of the information provided by them. Other international organizations, such as the International Maritime Organization, provide for more detailed requirements in the form of guidelines that include criteria for assessing the merits of applications and the objectives and activities of applicants, together with a periodic review of non-governmental organizations granted observer status to determine whether the continuation of that status is merited.[2]

6. In view of the growing interest in the work of the Authority and that of its organs, evidenced by an increase in recent years in the number of applications to the Assembly for observer status, the Assembly may wish to consider adopting similar guidelines.

7. Should the Assembly wish to adopt such guidelines, the secretariat will consider comparable procedures for the Authority and submit draft guidelines to the Assembly for its review and consideration at the twenty-fifth session.

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[2] International Maritime Organization, Rules and guidelines for consultative status of non-governmental international organizations with the International Maritime Organization, 4 December 2013.

International Seabed Authority ISBA/24/A/4

Assembly

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Twenty-fourth session
Kingston, 2–27 July 2018

Consideration, with a view to adoption, of the draft strategic plan of the International Seabed Authority for the period 2019–2023

Report of the Secretary-General

1. At its twenty-third session, the Assembly of the International Seabed Authority requested the Secretary-General inter alia to submit a draft strategic plan to the Assembly for consideration at its twenty-fourth session, in 2018, and to regularly inform members of the Authority on progress with respect to the plan (see ISBA/23/A/13).

2. Preparatory work was subsequently undertaken by the secretariat, including meetings with the permanent representatives to the Authority and an open briefing for members of the Authority at United Nations Headquarters in New York. A first draft of a strategic plan was presented in February 2018 in English and French, the two working languages of the Authority. As part of the consultation efforts of the Secretary-General, an open informal briefing took place on 7 March 2018 on the margins of the meeting of the Council. The briefing was open to members of the Authority and those observers present in Kingston. Several suggestions and comments were made on that occasion. The Secretariat subsequently launched an open consultation for all stakeholders during the period 12 March to 27 April 2018, seeking further comments, views and contributions.

3. A total of 23 submissions on the draft strategic plan were received. The largest number of submissions was made by members of the Authority (15), followed by observers (4) and contractors (3). One submission was made by an individual.

4. Some members and stakeholders suggested a longer timespan for the strategic plan than the five-year timespan currently proposed, with a view to aligning the plan with the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). While such a recommendation is not without merit, it should be noted that a strategic plan covering such an extended timespan would present difficulties in terms of flexibility of adjustment in the light of evolving challenges and priorities as identified by members of the Authority. Such an approach would also require the development of a type of strategic plan along different lines, requiring further investments in resources.

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5. Efforts were made to craft a strategic plan that is "action-oriented" and takes a pragmatic approach, placing emphasis on the highest priorities for the Authority during the period 2019–2023. The Secretary-General has revised the draft strategic plan, taking into account the suggestions and comments made during the consultation period, at the various meetings and at the briefing session. The plan, as revised, is attached as annex I to the present document and is presented for consideration by the Assembly of the Authority. The Assembly is invited to consider, with a view to adoption, the Strategic Plan of the International Seabed Authority for the Period 2019–2023, as contained in annex I to the present document. For that purpose, a draft decision is set out in annex II to the present document.

Annex I

Draft strategic plan of the International Seabed Authority for the period 2019–2023

Strategic Plan of the International Seabed Authority for the Period 2019–2023

I. Introduction

1. The present strategic plan embodies the vision of the International Seabed Authority for the implementation of part XI and other provisions relating to the Area under the United Nations Convention on the Law of the Sea of 10 December 1982 and the 1994 Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea during the five-year period 2019–2023. It takes into account that, pursuant to the Implementation Agreement, the setting up and the functioning of the Authority shall be based on an evolutionary approach in order that it may discharge effectively its responsibilities at various stages of the development of activities in the Area (1994 Agreement, annex, sect. 1 (3)).

2. The Convention and the 1994 Agreement constitute an intricate and unitary system of rights, obligations, duties and responsibilities in connection with activities in the Area. The system involves a broad stakeholder base which includes States parties, sponsoring States, flag States, coastal States, State enterprises, private investors, other users of the marine environment and interested global and regional intergovernmental organizations. All have a role in the development, implementation and enforcement of rules and standards for activities in the Area to ensure that these activities are carried out for the benefit of mankind as a whole. Through this Plan, the Authority aims to engage with stakeholders in implementing the regime for the Area accordingly. The strategic plan will be supplemented by an action plan, including key performance indicators, and will be kept under regular review by the Assembly.

3. The strategic plan consists of the following components:

(a) Mission statement;

(b) Context and challenges;

(c) Strategic directions for 2019–2023;

(d) Expected outcomes.

4. The guiding principles of the strategic plan are the following:

(a) Promote the orderly, safe and rational management of the resources of the Area for the benefit of mankind as a whole;

(b) Support the implementation of the international legal regime of the Area, including the Authority's rules, regulations and procedures;

(c) Promote the exchange of best practices among States and contractors;

(d) Ensure the effective protection of the marine environment;

(e) Provide public access to environmental information;

(f) Ensure the use of best available scientific information in decision-making;

(g) Require the application of the best available techniques and best environmental practices;

(h) Ensure accountability for results.

5. The strategic directions and priorities identified in the plan are directed primarily by:

(a) The Convention, and in particular article 162 (2) (o) (ii), in which it is stated that: priority shall be given to the adoption of rules, regulations and procedures for the exploration for and exploitation of polymetallic nodules;

(b) The 1994 Agreement, including:

(i) Annex, section 1 (5), which sets out the matters on which the Authority will concentrate between the entry into force of the Convention and the approval of the first plan of work for exploitation;

(ii) Annex, section 1 (5) (f), which requires the adoption of rules, regulations and procedures necessary for the conduct of activities in the Area as they progress and that such rules, regulations and procedures take into account the terms of the Agreement, the prolonged delay in commercial deep seabed mining and the likely pace of activities in the Area;

(iii) Annex, section 2, with regard to those functions of the Enterprise that complement the relevant priorities as set out in section 1 (5) of the annex;

(iv) Annex, section 5, with regard to those principles, in addition to the provisions of article 144 of the Convention, on transfer of technology, that complement the relevant priorities as set out in section 1 (5) of the annex;

(v) Annex, section 6, with regard to those principles for a production policy that complement the relevant priorities as set out in section 1 (5) of the annex.

6. The Plan also takes into account:

(a) The current status of implementation by the Authority of the priorities set out in the 1994 Agreement, in particular those set out in section 1 (5) of the annex, and in the Convention, as well as activities mandated by the Council;

(b) The Authority's current and projected workload, resources and capacity for the period of the present draft strategic plan;

(c) Other relevant international agreements, principles and objectives, including the 2030 Agenda.

II. Mission statement

7. The mission of the International Seabed Authority is to be the organization through which States Parties organize and control activities in the Area, which is the common heritage of mankind, to promote the orderly, safe and responsible management and development of the resources of the Area for the benefit of mankind as a whole, including through the effective protection of the marine environment and contributing to agreed international objectives and principles, including the Sustainable Development Goals. This will be accomplished by developing and maintaining a comprehensive regulatory mechanism for commercial deep seabed mining that incorporates effective protection of the marine environment and of human health and safety, the equitable sharing of financial and other economic benefits from activities in the Area and allows for fully integrated participation of developing States through knowledge and best practice exchange consistent with the principle of the common heritage of mankind.

III. Context and challenges

8. In an ever-changing world, and in its role as custodian of the common heritage of mankind, the Authority faces many challenges. As described in this section, it needs to achieve an appropriate balance between multiple objectives.

Globalization and sustainable development

9. The United Nations has adopted a new development agenda, entitled "Transforming our world: the 2030 Agenda for Sustainable Development" (General Assembly resolution 70/1). As part of this new agenda, 17 Sustainable Development Goals have been adopted. Of most relevance to the Authority is Sustainable Development Goal 14 — Conserve and sustainably use the oceans, seas and marine resources for sustainable development — but other Goals also have relevance to the work of the Authority (see appendix I).

10. The challenge for the Authority is to contribute to the timely and effective implementation of the Sustainable Development Goals, in particular Goal 14, through implementing the economic, environmental and social mandates assigned to it under the Convention and the 1994 Agreement. These mandates include: ensuring that activities in the Area are carried out for the benefit of mankind as a whole (Convention, art. 140 (1)); ensuring effective protection for the marine environment (ibid., art. 145); and of human life (ibid., art. 146); promoting and encouraging the conduct of marine scientific research in the Area (ibid., art. 143); and the effective participation of developing States in activities in the Area (ibid., art. 148). Also included are the importance of fostering healthy development of the world economy and balanced growth of international trade (ibid., art. 150); ensuring the development of the resources of the Area (ibid., art. 150 (a)); the orderly, safe and rational management of the resources of the Area (ibid., art. 150 (b)); the enhancement of opportunities for all States parties (ibid., art. 150 (g)); and the development of the common heritage for the benefit of mankind as a whole (ibid., art. 150 (i)).

The need for exploitation regulations

11. The primary means by which the Authority is required to organize, carry out and control activities in the Area on behalf of mankind as a whole is to adopt and uniformly apply rules, regulations and procedures (ibid., annex III, art. 17). The basis for these rules, regulations and procedures is annex III to the Convention, which complements part XI and is further governed by the 1994 Agreement. Annex III, sets out the basic conditions for prospecting, exploration and exploitation in the Area. The 1994 Agreement stipulates that rules, regulations and procedures relating to the conduct of activities in the Area are to be adopted as those activities progress. Regulations governing exploration have been adopted, and the challenge now is to make the transition to exploitation. Regulations for exploitation must reflect best international standards and practices, as well as agreed principles of sustainable development.

12. In planning its work, the Authority must carefully analyse the prospects for commercial deep seabed mining, as well as deep sea technology development. Although market uncertainty and volatility are major factors driving commercial investment, beyond the control of the Authority, the need for regulatory certainty, with clear requirements to ensure environmental protection and clear financial terms, is a critical element in advancing deep seabed mining.

Environmental protection

13. Ensuring effective protection for the marine environment from harmful effects which may arise from such activities in the Area (ibid., art. 145) receives detailed attention in the Convention and the 1994 Agreement. The 1994 Agreement provides that the adoption of rules, regulations and procedures incorporating applicable standards for the protection and preservation of the marine environment (Agreement, annex, sect. 1 (5) (g)) is one of the matters on which the Authority will concentrate between the entry into force of the Convention and the approval of the first plan of work for exploitation. The Convention requires the Authority to adopt rules, regulations and procedures designed to prevent, reduce and control pollution and other hazards to the marine environment having the potential to interfere with the ecological balance of the marine environment. The Authority is also required to protect and conserve the natural resources of the Area, preventing damage to the flora and fauna of the marine environment (Convention, art. 145).

14. The challenge for the Authority is to adopt a policy and regulatory framework for environmental management that achieves the effective protection of the marine environment, under circumstances of considerable scientific, technical and commercial uncertainty. The framework should be adaptive, practical and technically feasible. It must satisfy the extensive marine environmental protection requirements of the Convention, as well as taking into account relevant aspects of the Sustainable Development Goals and other international environmental targets, such as the Aichi Biodiversity Targets. The process for developing the framework and its implementation must be transparent and allow for stakeholder input. The development of regional environmental assessments and management plans, in particular, demands a collaborative and transparent approach to both the collection and sharing of environmental data. The process must ensure the fully integrated participation of developing States, not least in connection with international obligations to build technical capacity.

Promoting the sharing of the results of marine scientific research

15. Marine scientific research plays a critical role in the responsible management of the oceans and its resources. Such research is also vital to scientific advancement and to the effective, efficient and commercially and environmentally sustainable conduct of activities in the Area. It is first mentioned in the preamble to the Convention, and an entire chapter of the Convention (part XIII) is devoted to the subject, which is also addressed with regard to the Area in part XI (e.g., art. 143), and in the 1994 Agreement. As explicitly stated, it is among the priorities of the Authority, notably with regard to the need to ensure acquisition of scientific knowledge (Agreement, annex, sect. 1 (5) (i)).

16. Under article 143 (2) of the Convention, the Authority must promote and encourage the conduct of marine scientific research in the Area and coordinate and disseminate the results of such research and analysis when available. The Authority may also carry out marine scientific research in its own right (Convention, art. 143 (2)).

17. The challenge for the Authority is to adopt strategies and to seek adequate resources to enable it to strengthen cooperation with States parties, the international scientific community, contractors and relevant international organizations, such as the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Hydrographic Organization, and collaborative programmes such as JPI Oceans, to obtain, assess and disseminate quantitative and qualitative data and information in an open and transparent manner.

The importance of capacity-building and technology transfer in realizing the common heritage of mankind

18. Capacity-building and technology transfer are closely linked and the Convention therefore sets out specific requirements to deal with them accordingly. The Authority is thereby required to take measures to acquire technology and scientific knowledge relating to activities in the Area (ibid., art. 144 (1) (a)) and to ensure a variety of both capacity-building and technology transfer mechanisms for developing States (ibid., art. 274). In line with this, States are required by the Convention to cooperate actively with competent international organizations and the Authority to encourage and facilitate the transfer to developing States, their nationals and the Enterprise of skills and marine technology with regard to activities in the Area (ibid., art. 273).

19. The challenge for the Authority is to ensure that capacity-building and technology transfer measures are developed and implemented effectively, subject to all legitimate interests including, inter alia, the rights and duties of holders, suppliers and recipients of technology (ibid., art. 274) and that they reflect the needs of developing States, identified through transparent processes in which developing States are full participants.

Facilitating the participation of developing States in activities in the Area

20. The Authority must promote the participation of developing States in activities in the Area. This is explicit in the Convention and the 1994 Agreement. Activities in the Area shall be carried out with a view to ensuring the expansion of opportunities for participation in such activities consistent with articles 144 and 148 (ibid., art. 150 (c)); the enhancement of opportunities for all States Parties, irrespective of their social and economic systems or geographical location, to participate in the development of the resources of the Area (ibid., art. 150 (g)); and the development of the common heritage for the benefit of mankind as a whole (ibid., art. 150 (i)). The challenge for the Authority is to identify mechanisms, including capacity-building programmes, to ensure fully integrated participation by developing States in activities in the Area at all levels. This includes identifying possible approaches to the future establishment of the Enterprise in a way that meets the requirements of the Convention and the 1994 Agreement.

Equitable sharing of benefits

21. The Authority must adopt rules, regulations and procedures for the equitable sharing of financial and other economic benefits derived from activities in the Area (ibid., art. 140 (2)). Similar rules, regulations and procedures must also be adopted for the distribution of payments made through the Authority under article 82 (4) of the Convention, in respect of the exploitation of non-living resources on the continental shelf beyond 200 nautical miles (ibid., art. 82 (1).

22. The challenge for the Authority in developing equitable sharing criteria is to understand the financial and economic model for deep seabed mining in an environment of considerable commercial uncertainty, including the trends of and the factors affecting supply, demand and prices of minerals which may be derived from the Area, bearing in mind the interests of both importing and exporting countries, and in particular of the developing States among them (ibid., art. 164 (2) (b)).

Organizational development

23. In accordance with the 1994 Agreement, the setting up and the functioning of the organs and subsidiary bodies of the Authority shall be based on an evolutionary

approach, taking into account the functional needs of the organs and subsidiary bodies concerned in order that they may discharge effectively their respective responsibilities at various stages of the development of activities in the Area. It is also emphasized in the 1994 Agreement that, in order to minimize costs to States Parties, all organs and subsidiary bodies to be established under the Convention shall be cost-effective (annex, sect. 1 (2)).

24. The challenge for the Authority is to respond effectively and efficiently to the needs of the regulatory regime and to be ready to perform its functions as a supervisory body in anticipation of the commencement of the commercial exploitation of deep seabed minerals. The Authority must adapt, enhance and increase its structural and functional capacities at a rate that keeps pace with progress in deep sea mining, covers all necessary disciplines and ensures that adequate and appropriate levels of flexibility are built into the system. A major challenge to creating an Authority with the necessary institutional capacities will be to secure adequate funding, especially during the transition from exploration to exploitation. This makes it essential to plan well in advance for the future evolution of the organization and its subsidiary bodies.

Transparency

25. Transparency is an essential element of good governance and is therefore a guiding principle for the Authority in the conduct of its business as a publicly accountable international organization. This includes transparency in the internal administration of the Authority, as well as its internal procedures, the procedures of its various organs and subsidiary bodies and its procedures towards States. Transparency plays a fundamental role in building trust in the Authority and in enhancing the Authority's accountability, credibility and support across its stakeholder base.

IV. Strategic directions

Strategic direction 1

Realize the role of the Authority in a global context

26. The Authority will implement the following strategic directions:

Strategic Direction 1.1. Align its programmes and initiatives towards the realization of those Sustainable Development Goals relevant to its mandate.

Strategic Direction 1.2. Establish and strengthen strategic alliances and partnerships with relevant subregional, regional and global organizations with a view to more effective cooperation in the conservation and sustainable use of ocean resources, consistent with the United Nations Convention on the Law of the Sea and international law, including the pooling of resources and funding, where appropriate, in particular in connection with marine scientific research, to avoid the duplication of efforts and to benefit from synergies.

Strategic Direction 1.3. Build a comprehensive and inclusive approach to the development of the common heritage for the benefit of mankind as a whole that balances the three pillars of sustainable development.

Strategic Direction 1.4. Promote the effective and uniform implementation of the international legal regime of the Area, including the Authority's rules, regulations and procedures, and pay particular attention to the needs of developing States.

Strategic Direction 1.5. Strengthen cooperation and coordination with other relevant international organizations and stakeholders in order to promote mutual "reasonable regard" between activities in the Area and other activities in the marine environment and to effectively safeguard the legitimate interests of members of the Authority and contractors.

Strategic direction 2

Strengthen the regulatory framework for activities in the Area

27. The Authority will implement the following strategic directions:

Strategic Direction 2.1. Adopt rules, regulations and procedures covering all phases of deep sea mineral exploration and exploitation on the basis of best available information and in line with the policies, objectives, criteria, principles and provisions set out in the Convention and the 1994 Agreement.

Strategic Direction 2.2. Ensure that the rules, regulations and procedures governing mineral exploitation incorporate best practices for environmental management and are underpinned by sound commercial principles in order to promote investment on a "level playing field".

Strategic Direction 2.3. Ensure that the legal framework for activities in the Area is adaptive and responsive to new technology, information and knowledge and advances in international law relating to the Area, in particular in connection with international law rules on responsibility and liability.

Strategic Direction 2.4. Ensure that the regulatory framework gives due consideration to and promotes the participation of developing States in activities in the Area in accordance with the Convention and the 1994 Agreement.

Strategic Direction 2.5. Advance the development of the regulatory framework for activities in the Area, taking into account trends and developments relating to deep seabed mining activities, including objective analysis of world metal market conditions and metal prices, trends and prospects, through a predictable process with clear timelines, based on consensus, and that allows for stakeholder input in appropriate ways.

Strategic Direction 2.6. Adopt rules, regulations and procedures for the equitable sharing of financial and other economic benefits derived from activities in the Area.

Strategic Direction 2.7. Conduct a study of the potential impact of mineral production from the Area on the economies of developing land-based producers of those minerals which are likely to be most seriously affected, with a view to minimizing their difficulties and assisting them in their economic adjustment, taking into account the work done in this regard by the Preparatory Commission (Agreement, annex, sect. 1 (5) (e)) and develop possible criteria for economic assistance.

Strategic direction 3

Protect the marine environment

28. The Authority will implement the following strategic directions:

Strategic Direction 3.1. Progressively develop, implement and keep under review an adaptive, practical and technically feasible regulatory framework,

based on best environmental practices, for the protection of the marine environment from harmful effects which may arise from activities in the Area.

Strategic Direction 3.2. Develop, implement and keep under review regional environmental assessments and management plans for all mineral provinces in the Area where exploration is taking place.

Strategic Direction 3.3. Ensure public access to environmental information.

Strategic Direction 3.4. Develop scientifically and statistically robust monitoring programmes and methodologies to assess the potential for activities in the Area to interfere with the ecological balance of the marine environment.

Strategic direction 4

Promote and encourage marine scientific research in the Area

29. The Authority will implement the following strategic directions:

Strategic Direction 4.1. Continue to promote and encourage the conduct of marine scientific research with respect to activities in the Area, with particular emphasis on research related to the environmental effects of activities in the Area.

Strategic Direction 4.2. Collect and disseminate the results of research and analysis, when available.

Strategic Direction 4.3. Strengthen and, as appropriate, establish strategic alliances and partnerships with relevant subregional, regional and global organizations, including the Intergovernmental Oceanographic Commission of UNESCO, the International Hydrographic Organization and collaborative programmes such as JPI Oceans, to share data and information in an open and transparent manner, avoid the duplication of efforts and benefit from synergies, for example, by aligning with the United Nations Decade of Ocean Science for Sustainable Development, which will address knowledge gaps to be identified by the First Global Integrated Marine Assessment (World Ocean Assessment).

Strategic Direction 4.4. Be proactive in engaging with the international scientific community through workshops and sponsored publications and by promoting access to non-confidential information and data, in particular those data relating to the marine environment.

Strategic Direction 4.5. Compile summaries of the status of environmental baseline data and develop a process to assess the environmental implications of activities in the Area (Convention, art. 165 (d)).

Strategic direction 5

Build capacity for developing States

30. The Authority will implement the following strategic directions:

Strategic Direction 5.1. Ensure that all capacity-building programmes and measures and their delivery are meaningful, tangible, efficient, effective and targeted at the needs of developing States, as identified by developing States.

Strategic Direction 5.2. Seek and maximize funding opportunities for the Endowment Fund for Marine Scientific Research in the Area and its beneficiaries, together with participation in global financing mechanisms.

Strategic Direction 5.3. Enable capacity-building measures to be mainstreamed into relevant initiatives.

Strategic Direction 5.4. Build on the achievements of contractor training programmes and assess their long-term impact on capacity-building.

Strategic direction 6

Ensure integrated participation by developing States

31. The Authority will implement the following strategic directions:

Strategic Direction 6.1. Continue to promote and seek opportunities for integrated participation by developing States in the implementation of the regime for the Area, paying special attention to the needs of land-locked and geographically disadvantaged States, small island developing States and the least developed countries.

Strategic Direction 6.2. Undertake a review of the extent of the participation by developing States in the Area, identify and understand any specific barriers to such participation and address them accordingly, including through targeted outreach and partnerships.

Strategic Direction 6.3. In cooperation with States Parties, initiate and promote measures providing opportunities to personnel from developing States for training in marine science and technology and for their full participation in activities in the Area (Convention, art. 144 (2) (b)).

Strategic Direction 6.4. Carry out a detailed resource assessment of the reserved areas that are available to the Enterprise and developing States.

Strategic Direction 6.5. Identify possible approaches to the establishment of the Enterprise in a way that meets the objectives of the Convention and the 1994 Agreement while taking into account that the Enterprise lacks capital and is limited to operating through joint ventures.

Strategic direction 7

Improve the organizational performance of the Authority

32. The Authority will implement the following strategic directions:

Strategic Direction 7.1. Strengthen its institutional capacity and functioning through the allocation of sufficient resources and expertise to deliver its work programmes.

Strategic Direction 7.2. Facilitate a fuller, more active and more informed participation by members of the Authority and other stakeholders through the adoption of working methods which are focused, targeted and effective and delivered under enhanced conditions of transparency and accountability, leading to a more inclusive approach to decision-making.

Strategic Direction 7.3. Keep work programmes and working methodologies under review such that they achieve the objectives set by members of the Authority within a reasonable time frame and cost-effectively through improved planning and management.

Strategic Direction 7.4. Assess long-term options for funding its operations.

Strategic direction 8

Commit to transparency

33. The Authority will implement the following strategic directions:

Strategic Direction 8.1. Communicate information about its work in a timely and cost-effective manner.

Strategic Direction 8.2. Facilitate access to non-confidential information.

Strategic Direction 8.3. Adopt clear, open and cost-effective working practices and procedures and ensure that the chain of responsibility and accountability of all relevant actors is fully understood and properly managed in the development, implementation and enforcement of technical, environmental, operational, scientific and safety regulations and standards for activities in the Area.

Strategic Direction 8.4. Build a stakeholder communications and consultation strategy and platform which facilitates open, meaningful and constructive dialogue, including on stakeholder expectations.

V. Expected outcomes

34. Successful implementation of the Plan and its strategic directions will result in the delivery of:

(a) A comprehensive legal framework for carrying out activities in the Area for the benefit of mankind as a whole (Convention, art. 140 (1)), including necessary measures to ensure:

(i) Effective protection for the marine environment (ibid., art. 145);

(ii) Effective protection of human life (ibid., art. 146);

(iii) Orderly, safe, and rational management of the resources of the Area, including the efficient conduct of activities in the Area and, in accordance with sound principles of conservation, the avoidance of unnecessary waste (ibid., art. 150 (b)), drawing on the best available scientific evidence and generally accepted applicable international rules and standards.

(b) An appropriate mechanism to provide for the equitable sharing of financial and other economic benefits derived from activities in the Area on a non-discriminatory basis (ibid., art. 140 (2)), as further directed by the objectives, principles and requirements set out in article 13 (1) of annex III to the Convention and section 8 of the annex to the 1994 Agreement.

(c) The ability to promote and encourage the conduct of marine scientific research in the Area and to coordinate and disseminate the results of such research and analysis when available, as required under article 143 (2) of the Convention.

(d) The ability to acquire technology and scientific knowledge relating to activities in the Area and to promote and encourage the transfer to developing States of such technology and scientific knowledge so that all States Parties benefit therefrom (ibid., art. 144, and as further governed by the principles set out in the 1994 Agreement, annex, sect. 5) and to promote effective participation of developing States in activities in the Area as specifically provided for in part XI (Convention., art. 148).

(e) An Authority with the institutional capacity, public acceptance, credibility and state of readiness to act as a "fit-for-purpose" regulator of activities in the Area

by reference to contemporary benchmarks, and as a publicly accountable supervisory body that facilitates access to information and values contributions by stakeholders.

(f) Enhanced effectiveness and reach of the Authority in carrying out its functions under the Convention through effective two-way stakeholder communication.

(g) An effective contribution by the Authority to the achievement of relevant Sustainable Development Goals by alignment of its programmes and initiatives.

(h) Identification and prioritization of technical assistance needs for developing States, including those to help facilitate participation in activities in the Area.

(i) The establishment of a monitoring programme to observe, measure, evaluate and analyse, by recognized scientific methods, on a regular basis, the risks or effects of pollution of the marine environment resulting from activities in the Area, ensure that existing regulations are adequate and are complied with and coordinate the implementation of the monitoring programme (ibid., art. 165 (2) (h)).

Appendix I

Contribution by the International Seabed Authority to the achievement of the Sustainable Development Goals

Sustainable Development Goals		*Contribution by the International Seabed Authority*
Goal 1	End poverty in all its forms everywhere	Through the distribution of payments received by the Authority in accordance with equitable sharing criteria
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Through the promotion of the transfer of skills and knowledge through training programmes and scholarships to least developed countries, small island developing States and African countries
Goal 5	Achieve gender equality and empower all women and girls	Encouragement of gender equality through dedicated efforts to increase opportunities for qualified women from developing States to participate in marine scientific research programmes
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Through its contribution to: (a) sustainable economic growth and the promotion of access for least developed countries to the Area and its resources; and (b) the protection of labour rights for those engaged in activities in the Area in conjunction with the International Labour Organization
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Through its contribution to improving the technological capabilities of developing countries
Goal 12	Ensure sustainable consumption and production patterns	Through the encouragement of sustainable production practices
Goal 13	Take urgent action to combat climate change and its impacts	Through the development of specific research programmes designed to improve the assessment of essential ecological functions of the deep sea oceans through long-term underwater oceanographic observatories in the Area
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Through its contribution to increasing scientific knowledge, developing research capacity and the transfer of marine technology and the advancement of a common and uniform approach, consistent with the Convention and international law, to the sustainable use of ocean resources
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Through: (a) the promotion of the rule of law; (b) the development of effective, accountable and transparent institutions at all levels; (c) responsive, inclusive, participatory and representative decision-making at all levels; (d) broadened and strengthened participation of developing countries in the institutions of global governance
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Through fostering strategic partnerships, including with the World Bank and the International Monetary Fund to enhance the Global Partnership for Sustainable Development to support the achievement of the Sustainable Development Goals

Annex II

Draft decision of the Assembly of the International Seabed Authority relating to the Strategic Plan of the Authority for the period 2019–2023

The Assembly of the International Seabed Authority,

Recalling its decision of 18 August 2017, at the twenty-third session of the International Seabed Authority,[1] to request inter alia, the Secretary-General, in view of the importance of a long-term plan defining the strategic direction and aims of the Authority, to submit a draft strategic plan to the Assembly for consideration at its twenty-fourth session, in 2018, and to regularly inform member States on progress with respect to the plan,

Recalling also that all 29 exploration contracts currently signed by the Authority will be in force during the period of the Plan,

Acknowledging the challenges for the Authority raised by the transition from exploration to exploitation,

Emphasizing the importance of ensuring that the Strategic Plan be kept under regular review and the results monitored for effectiveness,

1. *Adopts* the Strategic Plan of the International Seabed Authority for the Period 2019–2023, as contained in the annex, which provides a uniform basis for the strengthening of existing working practices of the Authority;

2. *Invites* members of the Authority and observers, as well as the organs of the Authority, to support the implementation of the Strategic Plan;

3. *Requests* the Secretary-General, as a matter or priority, to prepare a high-level action plan, to include key performance indicators and a list of outputs for the next five years, and taking into account available financial and human resources, for consideration by the Assembly at its twenty-fifth session;

4. *Also requests* the Secretary-General to provide the Assembly with a detailed overview of the implementation mechanisms to be established, including for monitoring, evaluation and learning;

5. *Emphasizes* the importance of ensuring that the implementation mechanisms also include provision for midterm and final evaluation, to enable an assessment of the implementation and impact of the Strategic Plan, enhancing organization development effectiveness and accountability, as well as informing, with lessons learned, the development of the next Strategic Plan;

6. *Recognizes* that the operative period of the Strategic Plan will be five years, without excluding the possibility, once the first review is undertaken, of adopting a longer-term plan in the future.

[1] ISBA/23/A/13.

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Agenda item 14 of the Council
Budget of the International Seabed Authority

Proposed budget for the International Seabed Authority for the financial period 2019–2020

Report of the Secretary-General

I. Introduction

1. The present report sets out the proposed budgetary requirements for the International Seabed Authority for the financial period 2019–2020. The Secretary-General estimates the budgetary requirements of the Authority for 2019 and 2020 at $18,470,900. The estimated amount of $9,636,900 for 2019 comprises $6,236,700 for administrative expenses, $1,542,000 for conference services and $1,858,200 for programme requirements. The estimated amount of $8,833,900 for 2020 comprises $6,051,600 for administrative expenses, $1,542,000 for conference services and $1,240,300 for programme requirements. A summary of the proposed budgetary requirements for the financial period 2019–2020 is provided in annex I.

2. The proposed budget for the period 2019–2020 represents an increase of 7.8 per cent in nominal terms over the approved budget for 2017–2018. This increase may be attributed to an expansion in the substantive workload of the Authority, in particular the need to advance work in relation to programme 2.1 (Development of the regulatory framework for activities in the Area) and the introduction of a new programme 2.7 (Regional environment management plans). At the same time, while programme expenditure is increased, it has been possible to achieve a decrease of 2.1 per cent in the general administrative budget, including a decrease of 21.5 per cent in conference servicing costs. Those reductions are the result of cost-saving measures implemented in 2017 and 2018 (see ISBA/24/FC/8), better planning and monitoring of expenditure with the full implementation of the International Public Sector Accounting Standards (IPSAS) and a more rigorous analysis of the expected budgetary requirements under each line. It should be noted that inflation for 2018, 2019 and 2020 is projected by the Government of Jamaica to be 5 per cent per year on the previous year (source: International Monetary Fund).

* ISBA/24/A/L.1.

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3. The substantive work of the Authority focuses on seven programmes, in line with the priority deliverables endorsed by the Council and the Assembly. Detailed information on the programmes is provided in section III of the present report. As some of the programmes and related activities may overlap, it is proposed that, as in previous budgets, the Secretary-General be authorized to make transfers between appropriate subsections of the administrative budget, between the administrative and programme budget sections and between individual programmes for up to 20 per cent of the amount under each subsection, section or individual programme.

4. The Secretary-General is strongly committed to stabilizing in the long term the general administrative budget, including conference services, at current levels. Programme expenditure in future financial periods will fluctuate according to the priorities of the Authority, with significant reductions expected in some programmes once the development of regulations for exploitation has been completed. Shifting expenditure into programmes also promotes greater transparency and accountability.

II. Summary of administrative budget proposals for the financial period 2019–2020

Section 1. Administrative and conference services expenditure

Subsection 1. Administrative expenditure of the secretariat

Established posts

5. The secretariat must be able to call upon a multi-skilled, versatile and mobile workforce that will work across disciplines to fulfil the Authority's complex and interrelated mandates in an efficient and cost-effective manner. The secretariat currently has 40 established posts and, during the period 2017–2018, continued to build on its human resources framework by implementing the results of the job classification exercise of 2015, adapted to structural changes (see ISBA/23/A/4), aligned the compensation package of internationally recruited staff with that of the United Nations common system (see ISBA/23/FC/2) and implemented a new Performance Management and Appraisal System (ISBA/ST/AI/2017/3). The future workforce will continue to include a core number of experts in law, science and administration to perform long-term functions, supplemented by staff members who will join the secretariat for shorter periods of time on an ad hoc basis.

6. Four additional posts are requested, thereby increasing the total staff of the secretariat to 44, as follows:

(a) A Senior Policy Officer/Special Assistant to the Secretary-General (P-5), to support the Secretary-General in overseeing and ensuring strategic coordination, communication, policy coherence and integration among the Office of Legal Affairs, the Office of Environmental Management and Mineral Resources and the Office for Administrative Services;

(b) A Communications Assistant (G-7), to augment the communications capacity of the Authority by supporting the Senior Policy Officer/Special Assistant to the Secretary-General (P-5) and the Communications Officer (P-4);

(c) An Associate Human Resources Officer (P-2), to support the Human Resources Officer (P-4) by continuing the sustained focus on service orientation and support to the secretariat, as well as responding to additional demands related to staff development, performance management and workforce and succession planning;

(d) A Scientific Officer (Economic Geology) (P-4), starting in 2020, to support the work of the Office of Environmental Management and Mineral Resources,

with a focus on resource assessment and classification and analysis of the economic viability and feasibility of future mining operations. As this post is envisaged from 2020, it is budgeted for at 50 per cent.

7. It is proposed to make provisions for the use of United Nations Volunteers by increasing the funds available under the budget line "general temporary assistance" to enhance diversity of staff and facilitate the quick recruitment and cost-effective employment of international experts. During the financial period 2019–2020, two positions will be assigned to projects managed by the Office for Administrative Services to replace outmoded and fragmented systems with a view to enhancing the Authority's ability to respond to changing requirements. A Junior Professional Officer programme is also under consideration, subject to support from interested members of the Authority.

Consultancies

8. Non-programme consultants will be needed for miscellaneous editing and translation services, information technology and equipment support services.

Common staff costs

9. The common staff costs budget line has consistently been overspent and underbudgeted in previous financial periods. The new compensation package has had an impact on the expenditure in 2017. In order to base the proposed budget for the financial period 2019–2020 on realistic figures, the actual amount of common staff costs for 2017 has been retained, and a 2.5 per cent safety margin has been added to cater for inflation and exchange rate fluctuations.

Training

10. In his report of May 2013 submitted pursuant to article 166, paragraph 4, of the United Nations Convention on the Law of the Sea (ISBA/19/A/2), the Secretary-General stated that there was minimal provision for staff training and professional development within the regular budget of the Authority. Consequently, even though the training budget in 2015–2016 was increased by $10,900 to a total of $63,000, there was no budget increase for the period 2017–2018. Investment in developing and managing talent at all levels of the Authority is inadequate. Current spending on training and development is less than 1 per cent of the administrative budget, which is significantly less than in other comparable organizations. A training budget of $126,000 is therefore proposed for the period 2019–2020, with no overall impact on the administrative budget.

Official travel (non-programme)

11. Travel charged to the administrative budget will include travel not specifically related to a programme. The administrative budget requirement for travel in 2019–2020 is expected to amount to $225,740. These travel expenses include travel by the Secretary-General and senior staff to attend the sessions of the United Nations General Assembly, Meetings of States Parties to the Convention and the annual face-to-face meeting of UN-Oceans, as well as other necessary representational travel.

Intergovernmental conferences

12. A specific budget line has been created to support the Authority's participation in the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction at its sessions scheduled for 2019 and 2020, and in the United Nations Conference to

Support the Implementation of Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development, to be held in 2020. The amount reserved for this purpose is estimated at $30,000 for each year of the financial period 2019–2020.

Communications

13. The investments made by the Authority in the periods 2013–2014 and 2015–2016 have resulted in efficiency gains and led to a proposed decrease of $44,000 in this budget line.

Library books and supplies

14. Annual subscription costs for periodicals and journals have increased over the past five years by an average of 8 per cent, despite a move to use online resources and other cost-saving measures. The budget in the period 2017–2018 allowed the library to continue to work towards providing access to journal resources and considerably strengthened the research capacity and capability of the library and the resources available to staff. Continued collaboration with the International Tribunal for the Law of the Sea allows for an economical method to gain access to a number of resources. The Authority shares the cost of resources used by both institutions through the United Nations System Electronic Information Acquisition Consortium, which provides access to select legal and scientific resources that would otherwise be prohibitively expensive within the present budget allocation. A safety margin of 5 per cent has been added to the actual expenditure of 2017 to cater for inflation.

Information technology

15. A decrease of $56,000 (44 per cent), to a total of $70,000, is proposed for the financial period 2019–2020. This amount reflects the costs to replace aging switchgear dating back to 2003 ($18,000), the programmed replacement of computers and printers ($23,400) and other information technology costs, including security software, technical management software, unforeseen technical support and unforeseen replacement of hardware ($28,600). Other information technology infrastructure costs, including the procurement of replacement servers with increased processing speed and storage capacity, are treated under IPSAS as acquisition of furniture and equipment and are therefore reflected in the following budget line.

Acquisition of furniture and equipment

16. The increase of $42,600, to a total of $196,000, corresponds to the following items:

(a) Replacement servers ($86,000) and the supply, commissioning and installation of a new cooling system in the server room ($50,000);

(b) One multifunction photocopier ($15,000);

(c) The replacement of small office equipment ($5,000);

(d) New furniture for the expanded office space on the first floor, for use by the conference and protocol services ($40,000).

Redesign of the Authority website

17. The existing Authority website was designed in the 1990s. Its structure and design are no longer adapted to the volume of archival documents that the website has to manage or to the traffic through the site, making it increasingly unwieldy and

difficult to navigate. Provision has been made for a one-off expenditure of $100,000 in 2019 for redesigning the website and transferring the data.

Rental, repairs and maintenance of property and equipment

18. An increase of $11,000, to a total of $35,000, is proposed for the financial period 2019–2020 to cover the rental and maintenance of office equipment and the maintenance and operation of official vehicles. This budget line has been overspent every year since 2013, and the revised figure is a more accurate reflection of actual costs.

United Nations common system

19. The proposed budget of $126,600 is aligned with the expenditure incurred in 2017 and includes costs for services and membership in the International Civil Service Commission, the security management system, the Task Force on Accounting Standards, the Human Resources Network of the United Nations System Chief Executives Board for Coordination, the Staff Pension Committee and the UN Cares programme.

Audit fees

20. The audit fees for the financial period 2019–2020 correspond to the offer made by Ernst & Young in 2017 for four years.

Building management

21. The budget of $744,100 is aligned with the expenditure incurred in 2017 under this budget line. Unforeseen costs will be covered by the savings made on electricity expenditure since January 2018.

Implementation of the International Public Sector Accounting Standards

22. As previously reported to the Finance Committee (see ISBA/23/FC/5), the Authority has adopted IPSAS and has been in the process of implementing these standards, including through training, since 2015. The financial statements of the Authority for 2017 were IPSAS-compliant. Further training is still needed and enterprise resources planning (ERP) needs to be deployed to give the Authority the integrated information system needed to be fully IPSAS-compliant. For that reason, this budget line has been renamed "IPSAS/ERP" and incorporates a budget provision of $80,000 to make the necessary surveys, studies and research on the system required.

Subsection 2. Conference services

23. A major change to the budget format results from the presentation of the provision for conference services by nature of expenditure instead of by organ of the Authority. This change will allow for better planning and future reporting and will increase transparency and accountability. A thorough review of conference services costs has been carried out and is reported on separately (see ISBA/24/FC/8). The budgetary requirements for the financial period 2019–2020 are based on the actual expenditure incurred in 2017, with a 5 per cent increase to cater for inflation and exchange rate fluctuations. An annual provision of $110,000 has been added to the budget line "documentation" to cover the cost of generating the additional documents expected under programme 2.1, that is, primarily, the translation of the draft exploitation code. Despite this exceptional expenditure, an overall decrease of 21 per cent is proposed in this section of the budget.

III. Summary of programme budget proposals for the financial period 2019–2020

Section 2. Programme expenditure

Programme 2.1
Development of the regulatory framework for activities in the Area

Overall orientation

24. In March 2018, the Council held the first substantive discussion on the draft regulations on exploitation of mineral resources in the Area, including financial terms. This followed two years of preparatory work, leading up to the consultation of stakeholders on a consolidated set of draft regulations in 2017. Experts from the Massachusetts Institute of Technology were also engaged to develop a financial and economic model to inform the development of financial terms for exploitation. The Authority will continue to develop the regulatory framework throughout 2019 and 2020. The secretariat will support the work of the Council and the Legal and Technical Commission by producing expert studies, analyses and revisions of the draft regulations, as required. In this connection, the Council and the Commission have requested that, in order to aid their discussions, specific studies be conducted on the following topics:

(a) The further development of the financial model and payment mechanism, with continued engagement of the Massachusetts Institute of Technology;

(b) The development of equitable sharing criteria;

(c) The potential impact of mineral production from the Area on the economies of developing land-based producers of the same minerals, in accordance with section 1, paragraph 5 (e), of the annex to the 1994 Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

25. In addition, the Assembly requested in its decision ISBA/23/A/13 that the Legal and Technical Commission continue to address the question of the operationalization of the Enterprise as an important matter in the light of developments with respect to deep-sea mining.

Objectives of the Authority

26. The objective of the Authority is to adopt rules, regulations and procedures covering all phases of deep-sea mineral exploration and exploitation, developed on the basis of best available information and in line with the policies, objectives, criteria, principles and provisions set out in the Convention and 1994 Agreement, including a regulatory framework for the protection of the marine environment from harmful effects that may arise from activities in the Area. In section C, paragraph 2, of its decision ISBA/23/A/13, the Assembly emphasized the importance of universal participation in the course of the development of rules and regulations on deep-sea mining, in particular the participation of developing States.

Expected accomplishments of the Authority

27. Expected accomplishments include:

(a) The continued development of the regulations on exploitation of mineral resources in the Area, with a view to their adoption by the relevant organs of the Authority;

(b) The development and adoption of a system of payments and corresponding rates of payment based on the evolution of the financial model under discussion by the Council and expected contractor business plans;

(c) The development of technical and administrative guidance to support the regulatory framework, including guidance and templates for environmental management and monitoring plans and closure plans;

(d) The development of an environmental impact assessment process and environmental impact statement (environmental impact statement manual), for adoption by contractors;

(e) The development of equitable sharing criteria for the distribution of financial and other economic benefits derived from activities in the Area;

(f) The conduct of a study of the potential impact of mineral production from the Area, in accordance with section 1, paragraph 5 (e), of the annex to the Agreement, and the development of possible criteria for economic assistance;

(g) Continued work on the development of a business model for the operationalization of the Enterprise.

Budgetary requirements

28. Programme 2.1 will be implemented under the direction of the Office of Legal Affairs. Substantive input to the development of expert studies and analyses will be provided through a combination of in-house expertise and consultants. Events planned during the financial period will include workshops on equitable sharing criteria and the development of standards and guidelines, as requested by the Legal and Technical Commission. It is likely that an ad hoc working group will be established to advance work on the payment mechanism and financial terms. Workshop budgets will include provisions to ensure the participation of representatives of developing States, as requested by the Assembly. A travel budget is required to attend workshops, meetings and international conferences related to the legal and technical aspects of the formulation and adoption of exploitation regulations. A budget for external printing is required to publish workshop outputs as ISA technical studies and for communications to members of the Authority.

Table 1
Programme 2.1: Summary of budgetary requirements

Programme 2.1	*Development of the regulatory framework for activities in the Area*	*2019*	*2020*	*Total*
	Consultants	260 000	40 000	300 000
	External printing	15 000		15 000
	Travel	25 000	25 000	50 000
	Workshops	185 000	190 000	375 000
	Total, programme 2.1	**485 000**	**255 000**	**740 000**

Programme 2.2
Protection of the marine environment

Overall orientation

29. Programme 2.2 is devoted to the implementation of tools and methodologies to ensure the protection of the marine environment in the Area. It is closely associated with programme 2.7, which addresses the establishment of regional environmental

management plans, and programme 2.5, dedicated to the promotion and encouragement of marine scientific research in the Area. Programme 2.2 is primarily aimed at the implementation of regional environmental management plans, in line with the fundamental obligation under article 145 of the Convention, whereby measures are to be taken with respect to activities in the Area to ensure effective protection for the marine environment from harmful effects that may arise from such activities. During the financial period 2019–2020, the programme will be oriented towards the tools necessary to implement the environmental management plan for the Clarion-Clipperton Fracture Zone, adopted in 2012. Programme 2.7 will focus on the development of similar plans for the same mineral in other areas, such as polymetallic nodules in the Central Indian Ocean Basin.

Objectives of the Authority

30. The Authority's strategy is to implement a robust framework of environmental protection measures to ensure that deep-sea mining is carried out in a responsible manner and in such a way as to minimize the negative impacts of mining. The general objective of programme 2.2 is to provide a characterization of the living resources and their habitats found in the Area and to implement ecological management tools, including area-based management tools, in the context of environmental management plans at the local and regional levels. Specific objectives are:

(a) Defining and characterizing the natural living resources found in those parts of the Area that may be subject to mining activities;

(b) Standardizing the method of quantification and classification of the living resources found in the Area, including in guidance to contractors, such as ISBA/19/LTC/8 and ISBA/21/LTC/15;

(c) Defining and characterizing the habitats where the living resources are found, to ensure their protection and recovery (as requested from contractors in ISBA/19/LTC/8, paras. 15, 32 and 33 and annex I, and ISBA/21/LTC/15, annex II, sect. IV);

(d) Defining and characterizing biogeographical patterns in areas of potential mining activity;

(e) Providing ecological and environmental reports to the Legal and Technical Commission and to the general public, to ensure transparency on the initiatives to protect the marine environment and to implement the provisions of article 165 of the Convention.

31. The Authority intends to implement programme 2.2 through a series of workshops on baseline data requirements and their statistical robustness, to be organized with the help of external consultants. Each workshop is expected to result in the preparation of technical papers by the secretariat. Since meiofauna is the only component of the deep-sea fauna that occurs in densities high enough to allow for the collection of baseline data likely to suffice for a statistically robust environmental impact statement, future efforts under this programme will concentrate on improving the contractors' taxonomical abilities to collect high-quality baseline data on meiofauna. To achieve this, the Authority intends to create an interactive and freely accessible website, the "Meiofauna Catalogue", that will summarize all information available on meiofauna species of the deep sea and thus be able to reach out to a larger audience than the two existing atlases. The scientific value of the Meiofauna Catalogue is expected to aid both the contractors' baseline studies and region-wide analyses.

Expected accomplishments

32. Expected accomplishments include:

(a) The organization of a technical workshop on baseline data requirements necessary for carrying out successful environmental impact assessments;

(b) The establishment of scientific curator committees, as requested by the Legal and Technical Commission in the environmental management plan for the Clarion-Clipperton Fracture Zone (ISBA/17/LTC/7, para. 47);

(c) Biannual reporting on the synthesis of environmental data for the public domain using data provided by contractors and international collections (see ISBA/17/LTC/7, para. 52);

(d) Two workshops to define and evaluate the statistical robustness of baseline studies and the identification of living resources for different mineral deposits, respectively (in 2019 and 2020). These evaluations should ensure that data provided by contractors and international collections have been collected according to the same standards and use the same taxonomy.

Budgetary requirements

33. The creation of the Meiofauna Catalogue will require the Authority to contract external consultants to design the platform that will host information on the three larger taxa (Foraminifera, Nematoda, and Copepoda), as well as for software programming and implementation. Dedicated funding will also be needed for the establishment and operations of three scientific curator committees, in accordance with the request made by the Legal and Technical Commission (ISBA/17/LTC/7, para. 47), which will be in charge of reviewing incoming data and ensuring the validity and accuracy of metadata. A travel budget is required to ensure participation in appropriate international events directly related to one or more of the specific objectives of the programme. The organization of the workshops requires allocating around $60,000 per year, in addition to an annual budget for external printing of $10,000.

Table 2
Programme 2.2: Summary of budgetary requirements

Programme 2.2	*Protection of the marine environment*	*2019*	*2020*	*Total*
	Consultants	140 000	140 000	280 000
	External printing	10 000	10 000	20 000
	Travel	12 000	12 000	24 000
	Workshops	63 000	63 000	126 000
	Total, programme 2.2	**225 000**	**225 000**	**450 000**

Programme 2.3
Contract Management Unit

Overall orientation

34. The Contract Management Unit was established in 2017. Its main function is to improve internal coordination within the secretariat by overseeing all contracts issued by the Authority for activities in the Area. This includes processing new applications for plans of work for exploration and exploitation, conducting the periodic review of plans of work, as required under applicable regulations, and monitoring the

implementation of approved plans of work to ensure that contractual obligations are fulfilled, including the submission of annual reports. The Contract Management Unit, through a dedicated Training Coordinator, also oversees contractor training programmes and other capacity-building initiatives, such as the Endowment Fund for Marine Scientific Research and the Authority's internship programme.

Objectives of the Authority

35. The objective during the financial period 2019–2020 is to continue to build on the work done in 2017 and 2018 by increasing the efficiency and effectiveness of contract management, while reducing the costs to the organization. A major effort will be made to document processes and introduce more efficient working methodologies for contract management, including a review of annual reports and the conduct of periodic reviews. In relation to capacity-building, the objective is to improve the delivery of capacity-building programmes through the systematic evaluation of past successes and failures, and to increase the availability of such programmes through more proactive outreach to partner institutions. In the light of comments made on the draft strategic plan of the Authority, an international workshop will be convened to assess the needs of developing States in terms of capacity-building.

Expected accomplishments

36. Expected accomplishments include:

(a) The timely and efficient processing of applications for approval of plans of work for exploration;

(b) Establishing and maintaining a definitive registry of contracts, in accordance with international best practice, that will form the basis for a future seabed mining register;

(c) Documenting processes for all administrative functions associated with contract management;

(d) Holding annual meetings of contractors to improve coordination and communication, as well as reporting practices;

(e) Developing a strategy and consistent documentation for the management of capacity-building programmes, including a complete database of candidates and trainees, as well as appropriate monitoring strategies and indicators of success;

(f) Issuing a report on and an analysis of the effectiveness of the Authority's capacity-building strategy;

(g) Convening an international workshop to assess the needs of developing States in in terms of capacity-building;

(h) Increasing partnerships with universities, scientific research institutions and other bodies to provide training programmes related to the Authority's mandate to qualified persons from developing States;

(i) Improving the Authority's internship programme by obtaining external funding that can be used to sponsor qualified applicants and by providing more targeted programmes.

Table 3
Programme 2.3: Summary of budgetary requirements

Programme 2.3	*Management of contracts*	*2019*	*2020*	*Total*
	Consultants	15 500	5 000	20 500
	External printing	5 000	5 000	10 000
	Travel	16 000	16 000	32 000
	Workshops	85 000	15 000	100 000
	Total, programme 2.3	**121 500**	**41 000**	**162 500**

Budgetary requirements

37. A dedicated budget will be required to support the holding of one meeting of contractors per year and one international workshop to assess the needs of developing States in terms of capacity-building. In addition, the budget allocated to programme 2.3 will be used to produce technical reports and conduct periodic reviews.

Programme 2.4
Data management

Overall orientation

38. In July 2015, the Council recognized in its decision ISBA/21/C/20 the importance of developing a data management strategy for the Authority. The programme on data management has been implemented by the Office of Environmental Management and Mineral Resources since 2017 and the launch of a new database is planned before the end of 2018. The Office contracted Exa Data and Mapping Services, Inc. to assist the data management team with achieving the stated objectives.

39. During the adaptive management process under the development contract, it has become apparent that additional modules and services are necessary to respond to specific data management, storage and retrieval requests. Members of the data task team of the Legal and Technical Commission expressed an interest in the inclusion of additional features to assist the Authority in delivering its mandate. The additional tasks were proposed at this juncture of the project to leverage the momentum of current software and database development efforts. While maintaining the domain knowledge, personnel and intrinsic development environments required to execute the additional tasks will ensure increased efficiency.

Objectives of the Authority

40. The objective of programme 2.4 is to provide a set of frameworks that will enable the Authority to manage its data sets proactively. This, in turn, will enable it to deliver its functions as set out in article 145 of the Convention more effectively.

Expected accomplishment

41. The expected accomplishment is the development of an institutional policy framework with an updated central data repository. There will be a physical and virtual place for international collaboration (data sharing and analyses). This organized data and information platform will provide the basis for the inclusion of data and metadata in the public domain. Primary indicators of success include a well-organized database with the Authority's existing data readily available, as well as information found on the Internet, the upgrading of software and hardware to enable

efficient data management (i.e., database functionality), physical and virtual space for collaboration activities on data collection, including activities to generate useful outputs from organized data, and new capacity-building activities for developing countries.

Table 4
Programme 2.4: Summary of budgetary requirements

Programme 2.4	*Data management (resource and environment)*	*2019*	*2020*	*Total*
	Consultants	140 000		140 000
	Workshops	75 000	75 000	150 000
	Maintenance and support	41 500	41 500	83 000
	Total, programme 2.4	**256 500**	**116 500**	**373 000**

Budgetary requirements

42. A consultancy budget is required to design additional modules to the databases, configure the hardware, programme the software and maintain the databases. A budget is also required for two workshops on data acquisition and management, one for contractors and one for the members of the Legal and Technical Commission.

Programme 2.5
Promotion and encouragement of marine scientific research in the Area

Overall orientation

43. Under article 143 of the Convention, States parties are to ensure that programmes are developed through the Authority or other international organizations, as appropriate, for the benefit of developing States and technologically less developed States, and to effectively disseminate the results of research and analysis through the Authority or other international channels. By promoting international scientific research specifically aimed at mineral resources in the Area, programme 2.5 will also contribute to the implementation of programmes 2.2 and 2.7. Under programme 2.5, the Authority will collaborate in conducting an international research cruise to gather essential data from the areas of particular environmental interest in the Clarion-Clipperton Fracture Zone, documenting the results of the cruise and including scientists from developing countries and representatives of other UN-Oceans agencies on board.

Objectives of the Authority

44. The objectives of programme 2.5 are:

(a) Promoting and encouraging the conduct of marine scientific research in the Area and disseminating the results of such research and related analyses to stakeholders;

(b) Encouraging collaborative efforts among contractors in the development of marine technology relevant to activities in the Area (implemented through programme 2.3);

(c) Issuing technical studies and reports on the technology for prospecting and exploration for and exploitation of polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area;

(d) Monitoring trends and developments relating to world metal market conditions and the prices of metals found in the three mineral resources.

Expected accomplishments

45. The primary accomplishment during the financial period 2019–2020 will be to organize and conduct a United Nations research cruise to the areas of particular environmental interest in the Clarion-Clipperton Fracture Zone through multi-stakeholder collaboration with the industry, UN-Oceans and civil society. The objectives of this cruise are: (a) to work with leading institutions and scientists to collect much-needed environmental baseline data in those areas; (b) to promote marine scientific research and the transfer of scientific knowledge to developing States; and (c) to facilitate the implementation of voluntary commitments for the achievement of Sustainable Development Goal 14. The proposed research cruise will be carried out in collaboration with Maersk Supply Services and will be coordinated by a steering committee of external experts, including representatives of leading scientific institutions, such as the World Maritime University, and interested organizations of the United Nations system that are members of UN-Oceans, such as the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization, the Convention on Biological Diversity, the Food and Agriculture Organization of the United Nations, the International Atomic Energy Agency, the International Labour Organization, the International Maritime Organization, the United Nations Environment Programme, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the World Meteorological Organization. Each participating organization will be invited to nominate two or three trainees from developing States.

46. Other accomplishments of the Authority planned for the period 2019–2020 include:

(a) Organizing a workshop on a geological model for polymetallic sulphide resources. The programme will run until 2020 and could be followed by a workshop to present the geological model to contributors and member States. In the course of the programme, a midterm meeting will be held to review the status of the data obtained and efforts to date and to take decisions on the future direction of the programme;

(b) Issuing technical studies and reports on the technology for prospecting and exploration for and exploitation of polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area;

(c) Reporting on trends and developments in world metal market conditions and prices.

Table 5
Programme 2.5: Summary of budgetary requirements

Programme 2.5	*Promotion and encouragement of marine scientific research in the Area*	*2019*	*2020*	*Total*
	Consultants	46 435	34 000	80 435
	External printing	17 450	33 000	50 450
	Travel	21 505	55 000	76 505
	Workshops	105 825	10 825	116 650
	Training	50 000	50 000	100 000
	Total, programme 2.5	**241 215**	**182 825**	**424 040**

Budgetary requirements

47. A research cruise typically costs $1.5 million to $2 million for 20 to 28 days, with ship time being particularly expensive. Under programme 2.5, the Authority will collaborate with Maersk Supply Services and DeepGreen to use an appropriate research vessel at no additional cost to the Authority. Participating United Nations organizations will cover their own expenses for transport and equipment. The Authority will cover airfare, hotels and terminal expenses for trainees from developing countries. A workshop to synthesize the data collected during the cruise will be also organized by the Authority to promote outreach in developing countries. The cost of subsequent data handling, analysis and publication and that of publicizing the results on a dedicated website and reporting through UN-Oceans are expected to amount to $80,000 over the biennium.

Programme 2.6
Outreach activities

Overall orientation

48. The overall orientation of programme 2.6 is to maximize the support that the Authority provides to its members by proactively communicating with stakeholders and other interested parties to inform them of issues related to the Convention and of the priorities and activities of the Authority. These outreach activities include cooperation with other organizations in the United Nations system on matters within the mandate of the Authority, including the Intergovernmental Oceanographic Commission in relation to the preparation phase of the United Nations Decade for Ocean Science for Sustainable Development.

49. The Authority has an important role to play in the implementation of the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal 14 and the associated targets. It is of the utmost importance that the Authority articulate and project the relevance of its work in that context. Outreach activities of the Authority should include communication with and engagement of specific target audiences and the general public so as to: (a) increase awareness of the Authority's impact and results through engaging with national, regional and international media; (b) keep stakeholders up to date on the status of the implementation of the Authority's activities; (c) leverage the capacity of partners so as to promote the value of the Authority's work, including utilizing partners' communication channels, networks and opportunities; (d) increase brand visibility through coordinated communication efforts and presence at appropriate events; and (e) identify and make available audience-appropriate communication tools to members, observers and other relevant stakeholders. The main vehicles for execution will be the Authority's website, mobile applications, information seminars and joint projects and activities conducted in cooperation with the United Nations and other relevant international organizations.

Objectives of the Authority

50. The main objectives of programme 2.6 are to advance the mission of the Authority by enhancing the visibility, credibility and impact of its activities and ensuring the effective dissemination of information to, and feedback from, its main target groups.

Voluntary commitments

51. The Authority actively contributed to the work and discussions of the United Nations Conference to Support the Implementation of Sustainable Development Goal 14, held in New York from 5 to 9 June 2017. On that occasion, the Authority registered

a series of voluntary commitments to: (a) enhancing the role of women in marine scientific research; (b) encouraging the dissemination of research results through the International Seabed Authority Secretary-General awards for deep-sea research excellence; (c) improving the assessment of essential ecological functions of the deep-sea oceans through long-term underwater oceanographic observatories in the Area; and (d) enhancing the assessment of deep-sea marine biodiversity through the creation of online taxonomic atlases linked to deep-sea mining activities in the Area. Additional voluntary commitments were also registered that involved partnerships with other agencies, notably the Department of Economic and Social Affairs of the United Nations Secretariat ("Abyssal initiative for Blue Growth: advancing SDG14 and the quest for a Blue Economy through the promotion of socioeconomic benefits for developing countries, including SIDS, and increasing scientific knowledge and research capacity") and the African Minerals Development Centre and GRID-Arendal ("Fostering cooperation to promote the sustainable development of Africa's deep seabed resources in support to Africa's Blue Economy" and "Mapping the Blue Economy of Africa to support decision-making, investment and governance of activities undertaken on the extended continental shelf and in adjacent international seabed areas").

Information seminars

52. The Authority will continue to organize, in partnership with its members, information seminars in host countries to raise awareness and improve understanding of its mandate and work as they relate to the interest of national authorities and regional bodies in deep-seabed mining. Such seminars are aimed at bringing together experts from the international legal and scientific community with national and regional government officials, scientists, researchers and academics to discuss scientific research on marine minerals and proposing mechanisms for improving regional cooperation in scientific research and marine mineral development. Topics covered in the seminars include the status of the legal regimes established for the recovery of minerals, the types of minerals found in the Area, resource evaluation, protection and preservation of the marine environment from prospecting, exploration and mining, and capacity-building.

Expected accomplishment

53. The expected accomplishment of the Authority during the financial period 2019–2020 is to ensure greater participation by member States and stakeholders following the development and implementation of a communications and stakeholder engagement strategy.

54. The indicators of achievement will include the following:

(a) A communications and stakeholder engagement strategy that is well aligned with and support the Authority's strategic directions and business plan;

(b) Improved awareness and understanding of the Authority's work and impact through communication activities with national, regional and international media;

(c) Improved brand recognition through coordinated communication efforts, consistent corporate identity and increased participation in and presence at appropriate events;

(d) Promotion of the mission, work and results of the Authority through collaboration with partners, including leveraging their communication channels, networks and opportunities.

55. A communications unit will be established within the secretariat to coordinate and initiate engagement with the media and relevant stakeholders. The communications unit will formulate and coordinate a communications and stakeholder engagement strategy and carry out a communications campaign and outreach activities to support the goals and strategic directions of the Authority.

Budgetary requirements

56. Activities will be designed and implemented to advance the voluntary commitments registered by the Authority at the United Nations Conference to Support the Implementation of Sustainable Development Goal 14 held in 2017. Three information seminars will be organized, with the State providing the facility for the seminar free of charge. For the seminars, a travel budget is required for staff and experts. Dedicated resources are also required to support the development of tailored communications campaigns and tools to advance the Authority's mission; enhance the visibility, credibility and impact of the Authority's strategic objectives and activities; and ensure effective dissemination of information to and feedback from its main target groups, in particular in the margins of major events (e.g., the intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction and the United Nations Conference to Support the Implementation of Sustainable Development Goal 14 to be held in 2020).

Table 6
Programme 2.6: Summary of budgetary requirements

Programme 2.6	*Outreach activities*	*2019*	*2020*	*Total*
	Consultants	60 000		60 000
	External printing	39 000	20 000	59 000
	Travel	15 000	15 000	30 000
	Workshops	70 000	40 000	110 000
	Total, programme 2.6	**184 000**	**75 000**	**259 000**

Programme 2.7
Regional environmental management plans

Overall orientation

57. In 2012, the Council approved the first regional environmental management plan for the Clarion-Clipperton Fracture Zone. The implementation of such a plan is one of the measures required to ensure effective protection of the marine environment from harmful effects that may arise from activities in the Area. At its meetings in March 2018, the Council approved a proposed strategy for the development of regional environmental management plans in other areas subject to mineral exploration activities. Priority areas identified by the Council included the Mid-Atlantic Ridge, the Indian Ocean Triple Junction Ridge and nodule-bearing province, and the North-west Pacific and South Atlantic for seamounts. In 2018, work commenced on the development of regional environmental management plans for the cobalt crust-bearing region in the Pacific Ocean as well as for polymetallic sulphide deposits on the mid-ocean ridges.

Objectives of the Authority

58. This new programme will include a series of activities to create regional environmental management plans for each of the minerals in the Area with exploration contracts. The programme will be based on a series of international workshops involving scientific experts, member States, relevant international organizations, contractors with the Authority and civil society, with a view to developing such plans for all three types of mineral resource currently regulated by the Authority.

59. The workshops will include the following:

(a) Two workshops relating to regional environmental management plans for polymetallic massive sulphides, based on the road map to be drawn up at the workshop to be held by the Authority from 27 to 29 June 2018 in Szczecin, Poland;

(b) One workshop in 2020 to further review the implementation of the regional environmental management plan for the Clarion-Clipperton Fracture Zone;

(c) Two workshops, to be held in 2019 and 2020, respectively, to advance the development of a regional environmental management plan for the cobalt-rich ferromanganese crust province of the North-west Pacific Ocean, based on the road map created by the preliminary workshop held from 26 to 29 May 2018 in Qingdao, China.

Budgetary requirements

60. Dedicated funding will be required to support the organization of five international workshops during the financial period 2019–2020 in order to meet the objectives identified by the Council and to ensure the broadest possible participation. The funds allocated to programme 2.7 also include support for consultancy fees, data collection and analysis and the cost of issuing technical studies and reports.

Table 7
Programme 2.7: Summary of budgetary requirements

Programme 2.7	*Regional environment management programmes*	*2019*	*2020*	*Total*
	Consultants	75 000	75 000	150 000
	External printing	30 000	30 000	60 000
	Travel	30 000	30 000	60 000
	Workshops	210 000	210 000	420 000
	Total, programme 2.7	**345 000**	**345 000**	**690 000**

IV. Scale of assessments for the contributions to the budget made by members of the Authority

61. In accordance with the Convention and the 1994 Agreement, the administrative expenses of the Authority are to be met by assessed contributions made by its members until the Authority has sufficient funds from other sources to meet those expenses. Funds from other sources currently comprise annual overhead charges paid by contractors. At the current rate of $47,000, this income is estimated at $1,363,000 per year for 2019 and 2020, accounting for 14.76 per cent of total budgetary requirements. The Authority's scale of assessments is based on the corresponding scale for the regular budget of the United Nations for the years 2016 to 2018, adjusted

to reflect the differences in membership between the Authority and the United Nations.

62. Since the scale of assessments for contributions to the budget of the Authority for 2019 and 2020 will be based on the scale for the regular budget of the United Nations for the years 2016 to 2018, it is recommended that the maximum assessment rate for the budget of the Authority remain at 22 per cent, with the minimum rate remaining at 0.01 per cent. Annex II contains an overview of the income and expenditure of the Authority.

V. Recommendations

63. Pending the review of the proposed budget by the Finance Committee, the Council and the Assembly are invited to:

(a) Approve the budget for the financial period 2019–2020 in the amount of $18,470,900, as proposed by the Secretary-General;

(b) Take note of the significant reduction in conference services costs and the transfer of the resources made available by those savings to the substantive programmes of the Authority;

(c) Authorize the Secretary-General to establish the scale of assessments for 2019 and 2020 on the basis of the scale used for the regular budget of the United Nations for 2016, 2017 and 2018, taking into account that the ceiling assessment rate will be 22 per cent and the floor rate 0.01 per cent;

(d) Also authorize the Secretary-General, for 2019 and 2020, to transfer up to 20 per cent of the amount under each subsection, section or individual programme between appropriations of the administrative budget and between individual programmes.

Annex I

Proposed budgetary requirements for the International Seabed Authority for the period from 1 January 2019 to 31 December 2020

(United States dollars)

	Budget				Variation	
	Approved for 2017–2018	2019	2020	Total, 2019–2020	Amount	Percentage
Budget line	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)–(1)	(6)=[(5)÷(1)]x100
Section 1. Administrative and conference services expenditure						
Subsection 1. Administrative expenditure of the secretariat						
Established posts	6 200 000	3 570 231	3 570 231	7 140 461	940 461	15.2
General temporary assistance	31 500	35 412	35 412	70 825	39 325	124.8
Overtime	71 600	33 564	33 564	67 129	-4 471	-6.2
Consultants (non-programme)	21 000	15 000	15 000	30 000	9 000	42.9
Common staff costs	3 080 000	1 314 681	1 314 681	2 629 362	-450 638	-14.6
Training	63 000	63 000	63 000	126 000	63 000	100.0
Official travel (non-programme)	187 800	112 871	112 871	225 741	37 941	20.2
BBNJ/Ocean Conference (2020)		30 000	30 000	60 000	60 000	
Communications	200 700	78 329	78 329	156 659	-44 041	-21.9
Library books and supplies	136 000	71 400	71 400	142 800	6 800	5.0
External printing (non-programme)	22 000	16 626	16 626	33 252	11 252	51.1
Supplies and materials	80 300	48 449	48 449	96 897	16 597	20.7
Official hospitality	23 500	15 831	15 831	31 661	8 161	34.7
Information technology	125 900	34 969	34 969	69 939	-55 961	-44.4
Acquisition of furniture and equipment	154 000	131 000	65 000	196 000	42 000	27.3
Redesign of Authority website		100 000		100 000	100 000	
Rental and maintenance of furniture and equipment	24 000	17 407	17 407	34 814	10 814	45.1
United Nations common system	166 000	63 317	63 317	126 633	-39 367	-23.7
Miscellaneous services	112 500	45 787	45 787	91 573	-20 927	-18.6
Audit fees	40 000	16 800	17 640	34 440	-5 560	-13.9
Buildings management	828 000	372 062	372 062	744 123	-83 877	-10.1
Article 154 review and related costs	80 000			0	-80 000	-100.0
IPSAS/ERP	120 000	50 000	30 000	80 000	-40 000	-33.3
Subtotal, subsection 1	**11 767 800**	**6 236 735**	**6 051 575**	**12 288 310**	**520 510**	**4.4**
Subsection 2. Cost of conference services						
United Nations staff salaries		9 400	9 400			
Printing and supplies		500	500			
Miscellaneous conference service costs		47 000	47 000			
Staff travel		291 200	291 200			
Rental of conference centre		53 400	53 400			
Temporary assistance (meetings)		52 700	52 700			

Budget line	Budget				Variation	
	Approved for 2017–2018	2019	2020	Total, 2019–2020	Amount	Percentage
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)–(1)	(6)=[(5)÷(1)]x100
Rental of equipment		3 000	3 000			
Local transportation		2 800	2 800			
Meeting services	3 930 000	455 000	455 000			
Documentation		615 700	615 700			
Reception		11 300	11 300			
Subtotal, subsection 2	**3 930 000**	**1 542 000**	**1 542 000**	**3 084 000**	**-846 000**	**-21.5**
Total, section 1	**15 697 800**	**7 778 735**	**7 593 575**	**15 372 310**	**-325 490**	**-2.1**
Section 2. Programme expenditure						
Programme 2.1: Development of the regulatory framework for activities in the Area						
Consultants	90 400	260 000	40 000	300 000	209 600	231.9
External printing	12 400	15 000		15 000	2 600	21.0
Travel	91 200	25 000	25 000	50 000	-41 200	-45.2
Workshops	120 800	185 000	190 000	375 000	254 200	210.4
Total, programme 2.1	**314 800**	**485 000**	**255 000**	**740 000**	**425 200**	**135.1**
Programme 2.2: Protection of the marine environment						
Consultants	38 800	140 000	140 000	280 000	241 200	621.6
External printing	12 400	10 000	10 000	20 000	7 600	61.3
Travel	15 200	12 000	12 000	24 000	8 800	57.9
Workshops	120 800	63 000	63 000	126 000	5 200	4.3
Total, programme 2.2	**187 200**	**225 000**	**225 000**	**450 000**	**262 800**	**140.4**
Programme 2.3: Management of contracts						
Consultants		15 500	5 000	20 500	20 500	
External printing		5 000	5 000	10 000	10 000	
Travel	30 400	16 000	16 000	32 000	1 600	5.3
Workshops	6 100	85 000	15 000	100 000	93 900	1 539.3
Total, programme 2.3	**36 500**	**121 500**	**41 000**	**162 500**	**126 000**	**345.2**
Programme 2.4: Data management (resource and environment)						
Consultants	306 200	140 000		140 000	-166 200	-54.3
External printing	30 300			0	-30 300	-100.0
Travel	28 000			0	-28 000	-100.0
Workshops		75 000	75 000	150 000	150 000	
Information technology	209 400			0	-209 400	-100.0
Central data repository				0		
Maintenance and support	35 900	41 500	41 500	83 000	47 100	131.2
Total, programme 2.4	**609 800**	**256 500**	**116 500**	**373 000**	**-236 800**	**-38.8**
Programme 2.5: Promotion and encouragement of marine scientific research in the Area						
Consultants	19 400	46 435	34 000	80 435	61 035	314.6

	Budget				Variation	
	Approved for 2017–2018	2019	2020	Total, 2019–2020	Amount	Percentage
Budget line	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)–(1)	(6)=[(5)÷(1)]x100
External printing	12 400	17 450	33 000	50 450	38 050	
Travel	15 200	21 505	55 000	76 505	61 305	403.3
Workshops	120 800	105 825	10 825	116 650	-4 150	-3.4
Training		50 000	50 000	100 000	100 000	
Total, programme 2.5	**167 800**	**241 215**	**182 825**	**424 040**	**256 240**	**152.7**
Programme 2.6: Outreach activities						
Consultants	22 600	60 000		60 000	37 400	165.5
External printing	1 200	39 000	20 000	59 000	57 800	4 816.7
Travel	30 400	15 000	15 000	30 000	-400	-1.3
Workshops	62 600	70 000	40 000	110 000	47 400	75.7
Total, programme 2.6	**116 800**	**184 000**	**75 000**	**259 000**	**142 200**	**121.7**
Programme 2.7: Regional environmental management plans						
Consultants		75 000	75 000	150 000	150 000	
External printing		30 000	30 000	60 000	60 000	
Travel		30 000	30 000	60 000	60 000	
Workshops		210 000	210 000	420 000	420 000	
Total, programme 2.7	**0**	**345 000**	**345 000**	**690 000**	**690 000**	
Total, section 2	**1 432 900**	**1 858 215**	**1 240 325**	**3 098 540**	**1 665 640**	**116.2**
Total expenditure for administration, conference services and programmes	**17 130 700**	**9 636 950**	**8 833 900**	**18 470 850**	**1 340 150**	**7.8**

Abbreviations: BBNJ, intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction; Ocean Conference, United Nations Conference to Support the Implementation of Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development; IPSAS, International Public Sector Accounting Standards; ERP, enterprise resource planning.

Annex II

International Seabed Authority income, including miscellaneous income, and expenses

A. Income and expenses based on a contractor overhead charge of $47,000

(United States dollars)

			Change from 2017–2018 to 2019–2020	
	2017–2018	*2019–2020*	*Amount*	*Percentage*
Proposed budget	17 130 700	18 470 850	1 340 150	7.8
Less: income				
Estimated savings (2015–2016)	40 571			
Estimated savings (2017–2018)		570 136	570 136	
Expected contractor overhead charges	2 397 000	2 726 000	329 000	13.7
Contractor extension application processing fees received during 2017 and 2018	469 000	0	-469 000	-100.0
Miscellaneous income accumulated during 2015	987 205		-987 205	
Miscellaneous income accumulated during 2017		685 420	685 420	
Subtotal, income	**3 893 776**	**3 981 556**	**87 780**	**2.3**
Total net contributions required	**13 236 924**	**14 489 294**	**1 252 370**	**9.5**
Net contributions required for each year of the biennium	6 618 460	7 244 645	626 185	9.5
Less: European Union assessment	-100 000	-100 000		0.0
Total assessed	**6 518 460**	**7 144 645**	**626 185**	**9.6**

B. Income and expenses based on a contractor overhead charge of $63,000

(United States dollars)

			Change from 2017–2018 to 2019–2020	
	2017–2018	*2019–2020*	*Amount*	*Percentage*
Proposed budget	17 130 700	18 470 850	1 340 150	7.8
Less: Income				
Estimated savings (2015–2016)	40 571			
Estimated savings (2017–2018)		570 136	570 136	
Expected contractor overhead charges	2 397 000	3 654 000	1 257 000	52.4
Contractor extension application processing fees received during 2017 and 2018	469 000	0	-469 000	-100.0
Miscellaneous income accumulated during 2015	987 205		-987 205	

			Change from 2017–2018 to 2019–2020	
	2017–2018	*2019–2020*	*Amount*	*Percentage*
Miscellaneous income accumulated during 2017		685 420	685 420	
Subtotal, income	**3 893 776**	**4 909 556**	**1 015 780**	**26.1**
Total net contributions required	**13 236 924**	**13 561 294**	**324 370**	**2.5**
Net contributions required for each year of the biennium	6 618 460	6 780 645	162 185	2.5
Less: European Union assessment	-100 000	-100 000		0.0
Total assessed	**6 518 460**	**6 680 645**	**162 185**	**2.5**

International Seabed Authority ISBA/24/A/5/Corr.1–ISBA/24/C/11/Corr.1

Assembly
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Item 11 of the provisional agenda of the Assembly*
Adoption of the budget of the Authority

Agenda item 14 of the Council
Budget of the International Seabed Authority

Proposed budget for the International Seabed Authority for the financial period 2019–2020

Report of the Secretary-General

Corrigendum

Annexes I and II

Replace annexes I and II with the following annexes.

* ISBA/24/A/L.1.

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Annex I

Proposed budgetary requirements for the International Seabed Authority for the period from 1 January 2019 to 31 December 2020

(United States dollars)

	Budget				Variation	
	Approved for 2017–2018	2019	2020	Total, 2019–2020	Amount	Percentage
Budget line	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)–(1)	(6)=[(5)÷(1)]x100
Section 1. Administrative and conference services expenditures						
Subsection 1. Administrative expenditures of the Secretariat	**11 767 800**	**6 156 735**	**5 996 575**	**12 153 310**	**385 510**	**3.3**
Established posts	6 200 000	3 550 231	3 550 231	7 100 461	900 461	14.5
General temporary assistance	31 500	35 412	35 412	70 825	39 325	124.8
Overtime	71 600	28 564	28 564	57 129	-14 471	-20.2
Consultants (non-programme)	21 000	15 000	15 000	30 000	9 000	42.9
Common staff costs	3 080 000	1 314 681	1 314 681	2 629 362	-450 638	-14.6
Training	63 000	53 000	53 000	106 000	43 000	68.3
Official travel (non-programme)	187 800	112 871	112 871	225 741	37 941	20.2
BBNJ/Oceans Conference (2020)		30 000	30 000	60 000	60 000	
Communications	200 700	78 329	78 329	156 659	-44 041	-21.9
Library books and supplies	136 000	71 400	71 400	142 800	6 800	5.0
External printing (non-programme)	22 000	11 626	11 626	23 252	1 252	5.7
Supplies and materials	80 300	48 449	48 449	96 897	16 597	20.7
Official hospitality	23 500	15 831	15 831	31 661	8 161	34.7
Information technology	125 900	34 969	34 969	69 939	-55 961	-44.4
Acquisition of furniture and equipment	154 000	121 000	55 000	176 000	22 000	14.3
Redesign of Authority website		75 000		75 000	75 000	
Rental and maintenance of furniture and equipment	24 000	17 407	17 407	34 814	10 814	45.1
United Nations common system	166 000	58 317	58 317	116 633	-49 367	-29.7
Miscellaneous services	112 500	45 787	45 787	91 573	-20 927	-18.6
Audit fees	40 000	16 800	17 640	34 440	-5 560	-13.9
Buildings management	828 000	372 062	372 062	744 123	-83 877	-10.1
Article 154 review and related costs	80 000			0	-80 000	-100.0
IPSAS/ERP	120 000	50 000	30 000	80 000	-40 000	-33.3
Subsection 2. Cost of conference services	**3 930 000**	**1 542 000**	**1 542 000**	**3 084 000**	**-846 000**	**-21.5**
United Nations staff salaries		9 400	9 400			
Printing and supplies		500	500			
Miscellaneous conference service costs		47 000	47 000			
Staff travel		291 200	291 200			
Rental of conference centre		53 400	53 400			
Temporary assistance (meetings)		52 700	52 700			
Rental of equipment		3 000	3 000			

Budget line	Budget				Variation	
	Approved for 2017–2018	2019	2020	Total, 2019–2020	Amount	Percentage
	(1)	(2)	(3)	(4)=(2)+(3)	(5)=(4)-(1)	(6)=[(5)÷(1)]x100
Local transportation		2 800	2 800			
Meeting services	3 930 000	455 000	455 000			
Documentation		615 700	615 700			
Reception		11 300	11 300			
Total, section 1	**15 697 800**	**7 698 735**	**7 538 575**	**15 237 310**	**-460 490**	**-2.9**
Section 2. Programme expenditures						
Programme 2.1. Development of the regulatory framework for activities in the Area						
Consultants	90 400	260 000	40 000	300 000	209 600	231.9
External printing	12 400	15 000		15 000	2 600	21.0
Travel	91 200	25 000	25 000	50 000	-41 200	-45.2
Workshops	120 800	185 000	190 000	375 000	254 200	210.4
Total, programme 2.1	**314 800**	**485 000**	**255 000**	**740 000**	**425 200**	**135.1**
Programme 2.2. Protection of the marine environment						
Consultants	38 800	120 000	120 000	240 000	201 200	518.6
External printing	12 400	10 000	10 000	20 000	7 600	61.3
Travel	15 200	12 000	12 000	24 000	8 800	57.9
Workshops	120 800	63 000	63 000	126 000	5 200	4.3
Total, programme 2.2	**187 200**	**205 000**	**205 000**	**410 000**	**222 800**	**119.0**
Programme 2.3. Management of contracts						
Consultants		15 500	5 000	20 500	20 500	
External printing		5 000	5 000	10 000	10 000	
Travel	30 400	16 000	16 000	32 000	1 600	5.3
Workshops	6 100	75 000	5 000	80 000	73 900	1 211.5
Total, programme 2.3	**36 500**	**111 500**	**31 000**	**142 500**	**106 000**	**290.4**
Programme 2.4. Data management (resource and environment)						
Consultants	306 200	140 000		140 000	-166 200	-54.3
External printing	30 300			0	-30 300	-100.0
Travel	28 000			0	-28 000	-100.0
Workshops		75 000	75 000	150 000	150 000	
Information Technology	209 400			0	-209 400	-100.0
Central data repository				0		
Maintenance and support	35 900	41 500	41 500	83 000	47 100	131.2
Total, programme 2.4	**609 800**	**256 500**	**116 500**	**373 000**	**-236 800**	**-38.8**
Programme 2.5. Promotion and encouragement of marine scientific research in the Area						
Consultants	19 400	46 435	34 000	80 435	61 035	314.6
External printing	12 400	17 450	33 000	50 450	38 050	
Travel	15 200	21 505	55 000	76 505	61 305	403.3

	Budget				Variation	
	Approved for 2017–2018	*2019*	*2020*	*Total, 2019–2020*	*Amount*	*Percentage*
Budget line	*(1)*	*(2)*	*(3)*	*(4)=(2)+(3)*	*(5)=(4)–(1)*	*(6)=[(5)÷(1)]x100*
Workshops	120 800	105 825	10 825	116 650	-4 150	-3.4
Training		50 000	50 000	100 000	100 000	
Total, programme 2.5	**167 800**	**241 215**	**182 825**	**424 040**	**256 240**	**152.7**
Programme 2.6. Outreach activities						
Consultants	22 600	60 000		60 000	37 400	165.5
External printing	1 200	39 000	20 000	59 000	57 800	4 816.7
Travel	30 400	15 000	15 000	30 000	-400	-1.3
Workshops	62 600	60 000	30 000	90 000	27 400	43.8
Total, programme 2.6	**116 800**	**174 000**	**65 000**	**239 000**	**122 200**	**104.6**
Programme 2.7. Regional environment management programmes						
Consultants		75 000	75 000	150 000	150 000	
External printing		30 000	30 000	60 000	60 000	
Travel		30 000	30 000	60 000	60 000	
Workshops		200 000	200 000	400 000	400 000	
Total, programme 2.7	**0**	**335 000**	**335 000**	**670 000**	**670 000**	
Total, section 2	**1 432 900**	**1 808 215**	**1 190 325**	**2 998 540**	**1 565 640**	**109.3**
Total expenditure for administration, conference services and programmes	**17 130 700**	**9 506 950**	**8 728 900**	**18 235 850**	**1 105 150**	**6.5**

Abbreviations: BBNJ, intergovernmental conference on an international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction; Ocean Conference, United Nations Conference to Support the Implementation of Sustainable Development Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development; IPSAS, International Public Sector Accounting Standards; ERP, enterprise resource planning.

Annex II

International Seabed Authority income, including miscellaneous income, and expenses

(United States dollars)

	2017–2018	*2019–2020*	*Change from 2017–2018 to 2019–2020*	*Change from 2017–2018 to 2019–2020 (percentage)*
Proposed budget	17 130 700	18 235 850	1 105 150	6.5
Less: income				
Estimated savings (2015–2016)	40 571			
Estimated savings (2017–2018)		570 136	570 136	
Expected contractor overhead charges	2 397 000	3 480 000	1 083 000	45.2
Contractor extension application processing fees received during 2017 and 2018	469 000	0	-469 000	
Miscellaneous income accumulated during 2015	987 205		-987 205	
Miscellaneous income accumulated during 2017		685 420	685 420	
Subtotal, income	**3 893 776**	**4 735 556**	**841 780**	**21.6**
Total net contributions required	**13 236 924**	**13 500 294**	**263 370**	**2.0**
Net contributions required for each year of the biennium	6 618 460	6 750 145	131 685	2.0
Less: European Union assessment	-100 000	-100 000		0.0
Total assessed	**6 518 460**	**6 650 145**	**131 685**	**2.0**

International Seabed Authority ISBA/24/A/6–ISBA/24/C/19

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Item 10 of the provisional agenda of the Assembly*
Report and recommendations of the Finance Committee

Agenda item 13 of the Council
Report of the Finance Committee

Report of the Finance Committee

I. Introduction

1. During the twenty-fourth session of the International Seabed Authority, the Finance Committee held eight meetings between 9 and 12 July 2018. On 13 July, the Finance Committee and the Legal and Technical Commission held a joint meeting in an informal setting.

2. The following members of the Committee participated in the meetings during the twenty-fourth session: Frida María Armas-Pfirter, Duncan M. Laki, Konstantin G. Muraviov, Hiroshi Onuma, Didier Ortolland, Andrzej Przybycin, Kerry-Ann Spaulding, Ahila Sornarajah, Reinaldo Storani, Zhi Sun, Ye Minn Thein, Umasankar Yedla, David Wilkens and Kenneth Wong. James Ndirangu Waweru had informed the Secretary-General that he would be unable to attend the meetings.

3. On 9 July 2018, the Committee adopted its agenda (ISBA/24/FC/1) and re-elected Andrzej Przybycin as Chair and Ye Minn Thein as Vice-Chair.

II. Implementation of the budget for the financial period 2017

4. The Committee was provided with a report on the implementation of the budget for 2017 (ISBA/24/FC/9) following the new format by programme as introduced in the 2017 budget. The report indicates an implementation rate of 87.1 per cent. The Committee requested and received clarification of a number of issues, such as underexpenditure in general, including expenses on furniture, the implementation of the compensation package, official travel, participation in various United Nations common services and the implementation of International Public Sector Accounting Standards (IPSAS), which will be followed by the development of an enterprise resource planning system. The Committee took note of the report on the budget performance for the financial period 2017.

* ISBA/24/A/L.1.

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III. Review of costs of conference services and implementation of other cost-saving measures

5. The Committee received a detailed report on cost-saving measures, including cross-cutting measures resulting in savings of 20 per cent on conference costs for the twenty-fourth session (ISBA/24/FC/8). The Committee commended the Secretary-General for his efforts and achievements in adopting significant cost-saving measures, especially those to reduce the costs of conference services, and encouraged him to pursue them further. In particular, the Committee recommended that the possibility of purchasing air ticket fares through the liaison office in New York from the travel agent used by the United Nations be explored to benefit from a wider competitive market.

6. The Committee was satisfied with the use of remote interpretation, but requested some technical improvements. In view of the significant cost savings that could be made, the Committee recommended that the Assembly and the Council revisit the possibility of using remote interpretation services for their respective meetings if outstanding technical issues, including the quality of the interpretation, could be resolved.

IV. Status of the implementation of the International Public Sector Accounting Standards

7. The Committee was presented with a report on the progress made by the Authority towards the implementation of IPSAS (see ISBA/24/FC/6). The Committee took note of the fact that, for the first time, the financial statements had been prepared in full compliance with IPSAS with the application of the IPSAS standards related to employee benefits, the disclosure of financial instruments and intangible assets. The Committee also noted the plan for the full implementation of IPSAS over the biennium 2019–2020 by exploring the options of performing the necessary upgrades to the existing software or switching to a platform embedded in an enterprise resource planning system.

V. Audit report by Ernst and Young on the accounts of the International Seabed Authority for 2017

8. The Committee took note of the report of the auditor and its opinion that the financial statements of the Authority reflected fairly and truly the financial position of the Authority as at 31 December 2017. The Committee also noted the Authority's financial performance and cash flows for the year in accordance with the financial regulations of the Authority and in compliance with IPSAS.

9. The Committee expressed its satisfaction with the quality and clear presentation of the audit report as well as with the management letter that had been submitted for the first time, identifying certain shortcomings in the system of internal control structure. The Secretary-General indicated that steps for improvements were already being taken, such as the monthly reconciliation of funds.

10. With regard to long-standing arrears and doubtful provisioning, the Committee agreed with the Secretary-General's view, contrary to the recommendation of the auditor, that unpaid assessed contributions could not be written off, as they were sovereign debts and obligations of members of the Authority. Nevertheless, the Committee highlighted its concern that arrears were at a stage where the auditor had questioned the Authority's proper accounting. In that regard, the Committee

reaffirmed the significance of paying assessed contributions in full and in a timely manner. The fact that 52 member States had been in arrears for more than two years was of particular concern, as the Authority was committed to critical strategic programmes to implement its mandate. Furthermore, the Committee noted that member States in arrears for more than two years lost their voting rights and that the continued increase in those numbers posed a serious policy concern for the Authority. Reference was made to the use of appointing a focal point in New York responsible for raising awareness among States of the need to address their arrears.

11. The Committee commended the Secretary-General for the Authority's proper accounting records, as highlighted by the auditor in its report.

12. The Committee thanked the Secretary-General for the additional information provided.

VI. Status of the Endowment Fund for Marine Scientific Research in the Area and of the voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council

13. The Committee took note of the balance of the Endowment Fund for Marine Scientific Research in the Area in the amount of $3,549,808 as at 30 June 2018 (see ISBA/24/FC/5), including interest accrued in 2018 of $32,433 intended to be used to support the participation of qualified scientists and technical personnel from developing countries in marine scientific research and approved programmes. With respect to the voluntary trust fund established on 18 August 2017 to support the participation of members of the Council of the Authority from developing States in the meetings of the Council, the balance was $69,667 as at 30 June 2018.

14. The Committee also reviewed the provisional terms of reference for the administration of the voluntary trust fund from its creation, which have been promulgated in the form of a Secretary-General's bulletin (ISBA/ST/SGB/2017/9). The Committee endorsed the terms with two amendments and made a recommendation. For practical reasons, the Committee specified that the use of the fund was for participation in one of the two parts of the session of the Council. The Committee also recommended the insertion of a sunset clause for any amounts remaining in the funds at the end of 2019. The Committee further recommended that the list of members in the annex to the provisional terms of reference be amended after each election of members of the Council by the Assembly. The amended terms of reference are reproduced in the annex to the present report.

VII. Status of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee, and related matters

15. The Committee expressed its deep concern over the negative balance of the voluntary trust fund in the amount of $45,299, fully advanced from the regular budget of the Authority as at 30 June 2018 (see ISBA/24/FC/7).

16. In view of the importance of the full participation of members from developing countries in the meetings of the Legal and Technical Commission and of the Finance Committee, especially during the development of the Authority's regulations on the exploitation of mineral resources in the Area, the Committee recommended that the Assembly and the Council request the Secretary-General to redouble efforts to encourage members of the Authority, as well as other States, relevant international organizations, academic, scientific and technical institutions, philanthropic organizations, corporations and private individuals, to make contributions.

17. The Committee welcomed the fact that some members who were eligible to request assistance from the fund had not availed themselves of that facility and invited and encouraged other members from middle income countries that were able to follow that example to do so.

18. The renewed appeals in 2017 for voluntary contributions have not been sufficient. If the current situation is not addressed immediately, members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries that depend on assistance will not be able to participate in their respective meetings.

19. In order to address a recurrent shortfall in the voluntary trust fund, the Committee requested the Council to consider the feasibility of one of the following options:

(a) A $2,500 contribution to the voluntary trust fund be included in the annual overhead charge invoice to contractors on a mandatory basis. This option will ensure some contributions to make up for a shortfall in the voluntary trust fund but may not be sufficient to respond to all requests for assistance from the fund without adequate contributions. The amount approximately reflects the proportion of costs attributable to the work on the supervision of the activities of contractors of the Commission's members who requested assistance from the fund. The contributions will be allocated as a deposit to the voluntary trust fund under regulation 7.1 (h) of the Financial Regulations of the Authority;

(b) As an interim solution and on a voluntary basis, an additional contribution of $6,000 or less[1] would be added to the annual overhead charge invoice to contractors on an opt-out basis. Contributions will be allocated as a contribution to the voluntary trust fund. This option maintains the voluntary nature of the contributions, while the use of "opt-out" makes it more likely that there will be more contributions to the fund than at present.

20. Alternatively, a one-off solution for the next financial period could be a transfer of $100,000 in the form of a reimbursable advance from the accumulated surplus of the Authority's administrative budget. Such a solution is clearly not sustainable and will affect the assessed contributions of the members, which would not be in line with the voluntary nature of the contributions to the fund.

VIII. Working Capital Fund

21. The Committee was provided with a report on the status of the working capital fund (ISBA/24/FC/2) with updates provided by the secretariat. The level of the Working Capital Fund has increased to $660,000, with the most recent increase of

[1] In the past, the average annual cost of funding participation in the meetings of the Commission and the Committee for members from developing countries amounted to $170,000. The amount of $6,000 represents the amount necessary from each contractor to provide the fund with $170,000.

$100,000 approved by the Assembly in 2016. The assessed amount of the advances is $659,995. As at 30 June 2018, the balance of the Working Capital Fund was $585,067, with a further $74,928 to be collected between 2018 and 2020. The Committee took note of the report on the status of the Working Capital Fund.

IX. Status of overhead charges for the administration and supervision of contracts for exploration and their reflection of costs actually and reasonably incurred

22. As requested in 2017, the Committee received a detailed assessment of the costs incurred for the administration and supervision of contracts for exploration after consultations with contractors on possible cost-saving measures (see ISBA/24/FC/3). The Committee also recalled that, in 2017, it had suggested that it would likely recommend an adjustment of overhead charges in 2018.

23. Based on an extrapolation method used by the secretariat, the report shows updated estimate of annual overhead costs of $63,908 per contract, an amount that reflects the variation of different factors since the establishment of those charges in 2013 (see ISBA/19/A/2).

24. The Committee agreed that there was a need to increase the overhead charges. Taking into account possible inaccuracies from the extrapolation method and following a conservative approach, the Committee recommended an amount of $60,000.

25. The Committee requested the secretariat to establish a more accurate methodology benefiting from the ongoing implementation of IPSAS in the accounting of the secretariat and to report by the twenty-sixth session the exact costs for the supervision and administration of the contracts for exploration for the Committee to take up that question accordingly. The Committee also recommended that the amount be reviewed more regularly in the light of the collection of data and revised methodology.

X. Rules, regulations and procedures on the equitable sharing of financial and other economic benefits derived from activities in the Area pursuant to section 9, paragraph 7 (f), of the annex to the 1994 Agreement

26. The Committee took note of the report of the Secretary-General (ISBA/24/FC/4), in which the complexity and the number of issues to be addressed for the development of equitable sharing criteria were highlighted.

27. As a way forward, the Committee requested that the Secretary-General prepare a study including suggested sharing criteria for consideration at the twenty-fifth session of the Authority. The Committee agreed to establish an informal group to work intersessionally to enable progress on this important issue, including through the exchange of views on macroeconomic, legal and political factors in a forum on the website of the Authority. The Committee also requested that the matter be kept on its agenda for its session in 2019 and that sufficient time be reserved for discussion at its next meeting. The Committee noted the importance of advancing the implementation of article 82 of the Convention in parallel, while avoiding the duplication of work.

XI. Proposed budget for the financial period 2019–2020

28. The Committee examined the proposed budget for the financial period 2019–2020 in the amount of $18,470,900 (see ISBA/24/A/5-ISBA/24/C/11).

29. The Committee expressed its appreciation for the clear and thorough preparation of the proposed budget. The proposed budget represents an increase of 7.8 per cent, from $17,130,700 for the previous biennium to $18,470,850. This increase in nominal value represents a 2.5 per cent increase in the contributions of the member States of the Authority. The proposed budget is composed of $12,288,310 for the administration of the secretariat, $3,084,000 for the costs of conference services and $3,098,540 for programme expenditure.

30. The Committee considered the increase in the core work of the Authority, namely, finalizing the regulatory framework for deep sea mining and the protection of the environment and the development of the regional environment management plans. It welcomed the significant reduction in the costs of conference services, by more than 20 per cent, and commended the Secretary-General for the transparency and reliability of the proposal. It asked about the increase in the "established posts" budget line, from $6,200,000 to $7,140,461, or 15.2 per cent. The Committee requested clarification of the "general temporary assistance" budget line, and the secretariat confirmed that two United Nations Volunteers for the archives digitization project and for support to the information technology unit had been included therein.

31. The Committee noted that the creation of four new regular positions would require additional expenditure of $900,000 over the biennium. In view of the Secretary-General's explanation, the Committee noted the need of those posts to strengthen and enhance the capabilities of the Authority and enable it to meet new demands.

32. The Committee requested explanations on the large increase (20.2 per cent) in official travel. The Secretary-General explained that that budget line had always been underbudgeted (28.3 per cent overspending in 2017) and that the increase reflected the need for a larger travel budget. He added that the previous practice was inconsistent in that travel had sometimes been included in programme budgets.

33. The Committee also sought clarifications with respect to consultants, training, external printing, supplies and materials, hospitality, the redesign of the website of the Authority, the United Nations common system and IPSAS. The Secretary-General gave necessary and adequate responses and, in particular for the IPSAS budget line, explained that there had been no expenditure as all training had been received and that the budget line had been kept to finance the survey necessary for the design or selection of an enterprise resource planning system to enable the Authority to have administrative and financial processes that were IPSAS compliant.

34. Following the provision of supplementary information, including on the four new proposed posts, and the discussion in the Committee, the Secretary-General provided the Committee with a revised budget proposal for the financial period 2019–2020 in the amount of $18,235,850 (see ISBA/24/A/5/Corr.1-ISBA/24/C/11/Corr.1).

35. The Committee decided to recommend the approval of the proposed budget for the financial period 2019–2020 in the amount of $18,235,850, which represents a nominal increase of 6.5 per cent.

36. The Committee expressed its gratitude to the Secretary-General for providing further detail and explanation upon request and recommended that the Secretary-General be authorized to transfer between sections, subsections and programmes up to 20 per cent of the amount of each section, subsection or programme.

XII. Indicative scale of assessed contributions of members of the Authority to the administrative budget for the financial period 2019–2020

37. The Committee recommended that, in line with article 160, paragraph 2 (e), of the United Nations Convention on the Law of the Sea, the scale of assessments to the administrative budget of the Authority for 2019 and 2020 be based on the scale of assessments to the regular budget of the United Nations for the years 2016, 2017 and 2018 for the year 2019, taking into account the ceiling assessment rate of 22 per cent and the floor assessment rate of 0.01 per cent, differences in membership and the contribution of the European Union.

XIII. Other matters

A. Implementation of the budget from 1 January 2018 to 31 May 2018

38. The Committee noted with satisfaction the report on the budget performance in the first five months of 2018, with additional information provided on staffing, travel and workshops.

B. United Nations House project

39. The Committee took note of a report of the Secretary-General on the implications for the Authority of the United Nations House project, in which it was outlined that participation in the first phase would cost $31,643.24, payable in 2018. The Committee requested the Secretary-General to continue to inform the Committee on future developments.

XIV. Recommendations of the Finance Committee

40. In view of the foregoing, the Committee recommends that the Council and the Assembly of the Authority:

(a) Approve the budget for the financial period 2019–2020 in the amount of $18,235,850, as proposed by the Secretary-General (see ISBA/24/A/5/Corr.1-ISBA/24/C/11/Corr.1);

(b) Take note with appreciation of the significant reduction in the costs of conference services and the transfer of the resources made available by those savings to the programmes of the Authority;

(c) Authorize the Secretary-General to establish the scale of assessments for 2019 and 2020 on the basis of the scale used for the regular budget of the United Nations for the years 2016, 2017 and 2018 for the year 2019, taking into account that the maximum assessment rate will be 22 per cent and the minimum rate 0.01 per cent;

(d) Authorize the Secretary-General, for 2019 and 2020, to transfer between sections, subsections and programmes up to 20 per cent of the amount of each section, subsection or programme;

(e) Urge the members of the Authority to pay their assessed contributions to the budget on time and in full;

(f) Note with concern the increasing amounts of outstanding contributions, appeal once more to the members of the Authority to pay outstanding contributions to the budget of the Authority from previous years as soon as possible and request the Secretary-General, at his discretion, to continue his efforts to recover those amounts;

(g) Urge members and other possible donors to make voluntary contributions to the Endowment Fund and voluntary trust funds of the Authority;

(h) Express its deep concern over the negative balance of the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee and consider the feasibility of one of the options identified in paragraphs 19 and 20 of the present report;

(i) Recommend an increase in the annual overhead charge referred to in section 10.5 of the standard clauses for exploration contracts, from $47,000 to $60,000 effective 1 January 2019;

(j) Revisit the possibility of using remote interpretation services for the meetings of the Assembly and the Council if outstanding technical issues, including the quality of the interpretation, can be resolved;

(k) Adopt the terms of reference for the voluntary trust fund to support the participation of members of the Council of the Authority from developing States in the meetings of the Council as contained in the annex to the present report.

Annex

Terms of reference for the voluntary trust fund to support the participation of members of the Council of the International Seabed Authority from developing States in the meetings of the Council

1. Pursuant to the financial regulations of the International Seabed Authority, a voluntary trust fund has been established to support the participation of members of the Council of the Authority from developing States.

I. Object and purpose of the trust fund

2. In its decision ISBA/23/A/13 dated 18 August 2017 relating to the final report on the first periodic review of the international regime of the Area pursuant to article 154 of the United Nations Convention on the Law of the Sea, the Assembly requested the Secretary-General to establish a voluntary trust fund to support the participation of members of the Council from developing States in the second annual meeting of the Council.

3. The objective of the fund is to defray the cost of participation of members of the Council from developing States in one of the two parts of the annual session of the Council scheduled for 2018 and 2019, respectively, during the time where there are two meetings of the Council per year.

II. Establishment

4. The fund is established pursuant to financial regulation 5.5 and shall be administered in accordance with the financial regulations of the Authority, as provided in financial regulation 5.6.

III. Contributions to the fund

5. Member States, observers and other stakeholders are encouraged to contribute financially to the voluntary trust fund. Other stakeholders may include, but are not limited to: other States; contractors with the Authority; relevant international organizations; academic, scientific and technical institutions; philanthropic organizations; corporations and private individuals; and non-governmental organizations.

IV. Implementing office

6. The Office for Administrative Service of the Secretariat is the implementing office for the fund and provides the services for its operation.

V. Report on the status of the fund

7. The Secretary-General shall report annually to the Finance Committee for its review of the use and status of the fund. The Secretary-General shall also report annually to the Assembly on the status of the fund.

VI. Terms of reference for the administration of the fund

8. The use of the fund is subject to the following conditions:

(a) A formal request by the Government of the State, containing the name of the delegate to be supported, must be communicated to the Secretariat no later than three months prior to the opening of the respective meeting of the Council. Late requests shall not be considered;

(b) Only members of the Council from developing States are eligible for support from the fund. However, in the event that the amount available in the fund is not sufficient to meet all requests for support, priority shall be given to members of the Council from least developed countries. A list of eligible States based on the composition of the Council for 2018 is attached in the annex to the present terms of reference, subject to revision following each election of the members of the Council;

(c) The fund shall be used to support the participation of one member of the delegation of an eligible developing State member of the Council in only one of the two meetings of the Council per year, as normally scheduled in February/March and July/August;

(d) For each member of the Council, only one delegate may benefit from support from the fund;

(e) Support shall be limited to economy class airfare by the most economical and direct route from either the capital or the official place of posting and to a daily subsistence allowance for up to a maximum of five days;

(f) The Secretary-General should inform the Government concerned of the outcome of the request in a timely manner.

9. Unless the Assembly of the Authority decides otherwise, any funds remaining by the end of the year 2019 will be transferred to the voluntary trust fund for the purpose of defraying the cost of participation of members of the Legal and Technical Commission from developing countries and members of the Finance Committee from developing countries in the meetings of the Commission and of the Committee, and the fund will be closed.

Annex

Developing States members of the Council in 2018

Algeria	China	Jamaica	Singapore
Argentina	Côte d'Ivoire	Lesotho	South Africa
Bangladesh	Fiji	Mexico	Trinidad and Tobago
Brazil	Ghana	Morocco	Tonga
Cameroon	India	Nigeria	Uganda
Chile	Indonesia	Panama	

Least developed countries members of the Council in 2018

Bangladesh	Lesotho	Uganda